

Up until 1984 our acquisitions had been those of an ambitious shoe retailer.

Nothing more. Nothing less.

In November 1984, however, we took a step which took everyone by surprise.

And immediately pushed us into the City spotlight.

We bought Halfords and its 360 retail outlets.

HOW THE PACE OF OUR ACQUISITIONS HAS ACCELERATED.

Big though this step was, it was still only the beginning.

From accessories for adults we then turned to toys for children.

And bought Maynards the confectioner, mainly to get our hands on its 80 Zodiac Toy Shops.

Then in November 1985 we acquired the well known Owen Owen business with its 950,000 square feet in 21 department stores.

And most recently, of course, we've taken over the 65 Payless DIY stores in another multi-million pound deal.

Hectic though the pace of these acquisitions has been, we're never hasty.

And we're confident that all our new ventures will realise their potential and produce major contributions to our growth.

In fact, this is already happening at Halfords.

By the end of this year, we'll have opened 30 Halfords superstores.

All situated on edge-of-town sites. All offering a far wider range of products for the motorist, some including car servicing.

And all, we predict, highly profitable.

So, as you can see, it's not just the pace of our acquisitions that's accelerating.

The performance of the companies we've taken over is, too.

WARD WHITE

Dole seeks guidance on budget compromise

By Stewart Fleming in Washington
SENATE majority leader Robert Dole has sought guidance from the White House about what sort of compromise on spending priorities and on spending priorities must be accepted to revive the budget process.

The move comes amid deepening concern on Capitol Hill about the prospects of being able to draw up a budget resolution. There is no agreement from the Senate committee for spending cuts, revenue increases and deficit spending allowed.

Expectations are growing Congress will have to begin on the details of the budget without the framework of a budget resolution to guide them.

Senator Dole, who deserves votes on the proposed resolution as a budget "moderator" as a budget "moderator". The chances of compromise are not very high. Maybe nothing will pass, and we will kill this one and (again) later.

The budget debate in the Senate has stalled on fundamental issues concerning how much revenue to raise, what social programmes to be trimmed or eliminated.

The fact that the House has been holding out for a substantial rise in deficit spending (when even administration officials privately they will not do) has also contributed to the difficulty of getting a budget compromise.

The forthcoming Congressional elections are another factor working against reaching agreement on a budget resolution. Senators do not want to be seen voting either to increase their constituents' taxes or cutting funds for programs that benefit them.

In the background too is deepening scepticism about Gramm-Rudman-Hollings reform bill. Some of its sponsors maintained it would force Congress to tackle the budget deficit rather than the unpalatable prospect of another and deeper round of automatic spending cuts.

Many believe that the Supreme Court will find the bill unconstitutional as the Federal District Court in Washington already did.

Residential construction which has generally been strong, fell 0.3 per cent in March but non-residential construction fell 2.2 per cent, a declining slightly in February.

Canada begins of copyright

BY BERNARD SIMON IN TORONTO
Canada has set up a C\$1.4m fund to compensate local authors for the use of their works in public libraries as a first step towards reforming the country's outdated copyright laws.

The fund is a response to proposals made by a parliamentary committee last year in a "Charter of Rights for Creators" which called for more stringent and generous protection of many forms of intellectual property.

Although the Government accepted the bulk of the recommendations to implement other recommendations, some of which are highly controversial.

An official of the Department of Consumer and Corporate Affairs in Ottawa said the priority is being given to the areas where reforms are most needed as particularly urgent.

One is to extend to computer software the same copyright protection applicable to literary works. At present, courts can decide whether software qualifies for copyright protection during the author's life plus 50 years.

The department is also keen to reverse a trend in recent court judgments which have extended copyright protection.

Republican on Contra

HOUSE Republicans have admitted defeat in their attempt to win an unfettered vote from President Ronald Reagan on the Contra rebels' aid request.

AP reports from Washington that this virtually ensures that any military help would be limited to what Mr Reagan wants.

It marks another setback for President Reagan's plan to increase military aid to the Contra rebels.

Mr Robert Michel, House minority leader, conceded the

Handwritten signature or stamp in a rectangular box at the bottom of the page.

Dole seeks guidance on budget compromise

By Stewart Fleming in Washington

SENATE majority leader Robert Dole has sought guidance from the White House about what sort of compromise on spending priorities and taxes the Reagan Administration might accept to revive the flagging budget process.

The move comes amid deepening despair on Capitol Hill about the prospects of Congress being able to draw up a budget resolution. There is no sign of compromise in the Senate over the proposal from the Senate budget committee for spending cuts, revenue increases and defence spending cuts greater than the President allowed for in his budget message in February.

Expectations are growing that Congress will have to try to grind out the details of the 1987 budget without the framework of a budget resolution to guide them.

Senator Dole, who described votes on the proposed resolution as "a budget meltdown" said yesterday: "The chances of a compromise are not very good. Maybe nothing will pass, maybe we will kill this one and try (again) later."

The budget debate in the Senate has stalled on fundamental issues concerning how deeply to cut defence spending, how much revenue to raise and what social programmes ought to be trimmed or eliminated.

The fact that the White House has been sticking firmly to its hard line—resisting tax increases and holding out for a substantial rise in defence spending (which even administration officials concede, privately they will not get)—has also contributed to the difficulty of getting a budget compromise.

The forthcoming Congressional elections are another factor working against reaching agreement on a budget resolution. Senators do not want to be seen voting either to increase their constituents' taxes or cutting funds for programmes that benefit them.

In the background too is the deepening scepticism about the Gramm-Rudman-Hollings budget reform bill. Some of its sponsors maintained it would force Congress to tackle the budget deficit rather than face the unpalatable prospect of another, and deeper, round of automatic spending cuts, but many believe that the Supreme Court will find the bill unconstitutional as the Federal District Court in Washington has already done.

Renewed signs of weakness in the non-residential construction industry were reported yesterday when the Commerce Department said that in March construction spending fell 1.2 per cent from the previous month, and non-residential construction fell 2.2 per cent after declining slightly in February.

Canada begins reform of copyright legislation

BY BERNARD SIMON IN TORONTO

Canada has set up a \$3m (£1.4m) fund to compensate local authors for the use of their works in public libraries as a first step towards reforming the country's outdated copyright laws.

The fund is a response to proposals made by a parliamentary committee last year in a "Charter of Rights for Creators" which called for more stringent and generous protection for many forms of intellectual property.

Although the Government has accepted the bulk of the report, it has not yet drawn up legislation to implement other recommendations, some of which are highly controversial.

An official of the Department of Consumer and Corporate Affairs in Ottawa said that priority is being given to three areas where reforms are viewed as particularly urgent.

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Robert Graham, recently in Rio de Janeiro, reports on co-operation between two Latin American countries Brazil and Argentina swap ideas on economic plans

TRADITIONAL rivalry between Brazil and Argentina has meant that Brazilian officials and the media have presented the new economic stabilisation programme as entirely original. Yet the "Cruzado plan" bears a striking similarity to Argentina's earlier Austral Plan and behind the bluster of nationalistic pride there has been a remarkable degree of co-operation.

Finding common cause in the debt crisis, Latin American governments and academic institutions generally are exchanging ideas and watching each others' experiences to an unprecedented degree.

This has occurred most among the high inflation economies of Argentina, Bolivia, Brazil and Peru. But it has also flourished under the umbrella of the Cartagena Group of the region's 11 main debtor nations and has since last year received considerable encouragement from the single-minded efforts of Mr Enrique Iglesias, the Uruguayan economist, to feature Argentine-Brazilian co-operation in that although the Austral Plan came first, there was, it now emerges, a strong Brazilian intellectual input.

The basic idea behind President Raul Alfonsín's Austral Plan was a price and wage freeze, combined with monetary reform, to defeat hyper-inflation.

The feasibility of such a plan

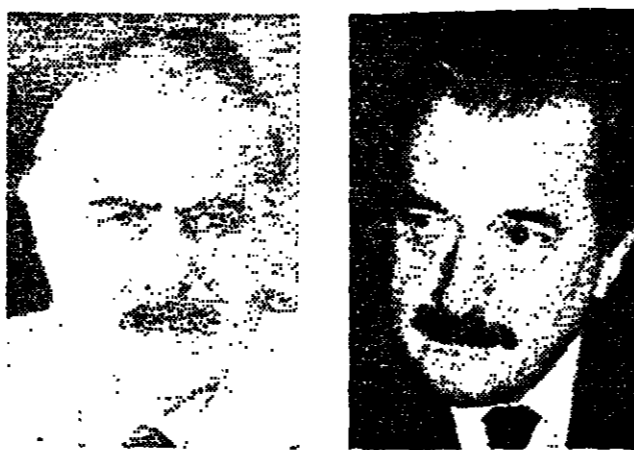
was first considered at the Catholic University (PUC) in Rio de Janeiro in 1984 when a group of young economists began to cast around for models to combat Brazil's chronic — and rising — inflation.

The principal Brazilian academics involved were Mr Perso Arida, Mr Andre Lara Resende and Mr Francisco Lopes. Their ideas were picked up and discussed by visiting Argentine lecturers at the university, including Dr Roberto Frankel.

The cross fertilisation occurred when Mr Bernardo Grinspun was removed as Finance Minister by President Alfonsín in March 1985. His replacement, Mr Juan Sourrouille, brought Dr Frankel on to his staff. Co-ordination was sufficiently close that in May last year both governments were actively studying Israel's experience in stabilisation programmes and both sent experts to Tel Aviv at almost the same time.

While President Alfonsín decided to act after his economic team had been working on the Austral Plan for just over three months, President Sarney was more cautious. He waited a full six months until the end of this February. This delay allowed the Brazilians to observe the mistakes made by Argentina and also to prepare the ground for the stabilisation plan more thoroughly.

Brazilian economists like Dr



President Sarney (left) was more cautious than President Alfonsín but this enabled the Brazilians to learn from the Argentines' mistakes

Lopez also underline a fundamental difference in Brazil's favour. He says the similarity of aims and measures should not obscure the fact that in Brazil stabilisation was introduced after a year of high growth (8 per cent). In Argentina the Austral Plan was introduced after four years of harsh recession. Thus the comparative resilience of the two economies to stabilisation plans was markedly different.

However, the basic economic thinking behind the two plans was similar: that government deficits were not solely respon-

sible for uncontrolled inflation and that it was essential to tackle what the Brazilian economists call "inertial inflation." This is the element of inflation caused by linking or indexing of large sectors of the economy whether wages, prices or interest rates to keep pace with, or even ahead of, inflation.

In both the Austral Plan and the Cruzado Plan, the authorities evaluated the currency and introduced a new one (austral and cruzado); on the basis of 1,000 to 1. The

substitution was geared to take place over 12 months with devaluations on a daily basis against the old currencies (peso and cruzado) because of the impact on rents and debt.

The table for regulating the devaluation of the peso against the austral and the cruzado was devised by Argentine economists. This is one of the elements "imported" by Brazil into its stabilisation plan. Both plans adopted similar exchange policies that stopped the former daily devaluations against the dollar and permitted, instead, periodic adjustments.

In the case of financial reform, both plans acted to end the automatic linkage between inflation and interest rates of public debt, which effectively encouraged investors to put money in financial paper and not productive investment. In Brazil this was more pronounced and the measures required were more widespread.

Both plans also adopted indefinite price and wage freezes. But there were important differences here. The Austral Plan's price freeze was introduced after a series of very substantial price increases. During the 40 days prior to the measures fuel prices had gone up 10 per cent. It was, therefore, far more difficult to absorb the price freeze in Argentina without a roll-over effect from inflation. In Brazil,

the authorities ensured through regular price increases that such a brutal realignment prior to the freeze was unnecessary. This meant that, while in the first month of operation the Austral Plan showed 6 per cent inflation, Brazil prices actually fell 1 per cent. The Brazilians also took the precaution of devising a new price index, while the Argentines continued with their indices unchanged.

The Argentine approach to a wage freeze was also more draconian. Wages had been previously fixed a month in advance and with hyper-inflation this meant real wages were falling at the time of the freeze. In Brazil wages were adjusted to an average of the previous six months' inflation plus a small top up.

The difficulties that have emerged in implementing the Austral Plan can now be pinpointed, in the light of the Brazilian experience. These have stemmed from the smaller period of preparation, the large price rises before the freeze (which has meant inflation has had less chance to come down to acceptable levels) and the plan's introduction after four previous years of recession in Argentina.

In contrast the greater flexibility, better preparation, less brutal price increases and the continued strong growth of the Brazilian economy, provide a better chance of success for the Cruzado Plan.

Alfonsín in drive for industrial expansion

By Tim Coone in Buenos Aires

INDUSTRIAL modernisation and growth are now priority goals for the Argentinean government, President Raul Alfonsín said yesterday.

In a keynote state of the nation speech televised throughout the country, he said "growth is an essential condition for the maintenance of long-term stability. The advances achieved in the fight against inflation must now be followed by a clear and defined policy in favour of growth."

The development of high-technology industries and greater co-ordination between the agricultural and industrial sectors were key elements of the Government's industrial modernisation programme.

Mr Alfonsín said the recently announced decision to move the capital to Patagonia in the south of the country was also an essential part of the Government's plan for the country's economic renovation.

Constitutional reforms would be necessary to deepen the process of democratisation of the country. Democratisation throughout South America was a prerequisite for greater economic co-operation on the continent.

Pact to fight cocaine trade agreed

FIVE SOUTH American nations have signed a co-operation pact to fight trade in cocaine which criminals in the countries illegally produce and export around the world, Reuters reports from Lima.

Representatives from Peru, Bolivia, Colombia, Venezuela, and Ecuador signed the "Rodrigo Lara Bonilla" accord, clearing the way for joint anti-narcotics campaigns and exchange of information on traffickers.

The countries supply over 90 per cent of the raw material for the world's cocaine, refining nearly all of it for export.

The accord was named after the Colombian justice minister gunned down exactly two years ago by assassins backed by drug barons.

The pact calls on the nations to introduce joint criteria on seizing the assets of traffickers and extraditing criminals participating in the narcotics trade.

"It (the drug trade) is the only successful multinational in Latin America because drugs are our only product which increase in price in markets where the rest of products slump in price," Mr Alan Garcia, Peru's President, said at the signing ceremony.

Republicans admit defeat on Contra aid strategy

HOUSE Republicans have admitted defeat in their attempt to win an unfettered vote on President Ronald Reagan's \$100m (£66m) aid request for Contras rebels in Nicaragua, AP reports from Washington.

This virtually ensures that any military help would be tied with strings Mr Reagan does not want.

It marks another setback for President Reagan's plan to supply \$300m in non-lethal aid but hold in military aid to the Contras. Mr Robert Michel, House minority leader, conceded that

majority Democrats have the votes to delay indefinitely renewed House consideration of the plan.

Mr Thomas "Tip" O'Neill, House speaker, a Democrat, said he will bring the Contra aid issue to a vote during the week of June 9—but apparently in a form that has not been acceptable to Mr Reagan or the Republican leadership.

A key vote will be an amendment that would approve \$300m in non-lethal aid but hold in military aid to the Contras for a 90-day negotiating period.

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Our Ambassador Class cabin service is specially tailored for business travellers. Quiet, friendly, attentive. Elegantly served meals.

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TWA flies to over 60 US cities — across America, without changing airlines. Every business traveller to the USA knows that by following these simple rules he's on the way to becoming a successful business traveller.

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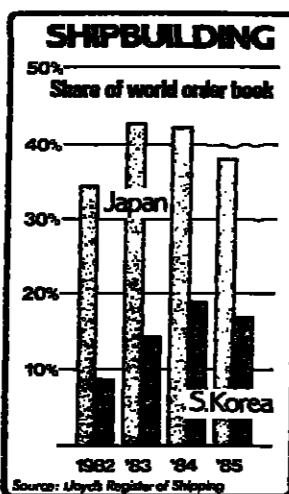
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900	2:45	ONTW	7 PHILADELPHIA
711	2:50	ONTW	12 PITTSBURGH
901	3:00	ONTW	8 PITTSBURGH
800	3:15	ONTW	7 DENVER
801	3:30	ONTW	7 DENVER
701	3:45	ONTW	8 NEWARK
902	4:00	ONTW	8 NEWARK
702	4:15	ONTW	15 NEWARK
903	4:30	ONTW	15 NEWARK
802	4:45	ONTW	8 NEWARK

WORLD TRADE NEWS

Seoul is optimistic about increasing its market share, Andrew Fisher reports
S. Korea shipbuilders profit from rising yen



THE SOUTH KOREANS, in their blunt way, have never made much secret of their intention to grab as many of the world's new shipbuilding orders as possible.

Fifteen years ago, they were hardly known in the industry. But then Hyundai built his big yard at Ulsan and Korea forced its way to the number two slot. Now, the surging yen gives it a chance to take an even larger share, as Japan's competitiveness is steadily submerged.

It is an opportunity they fully intend to take. "Japan is being hit by the rising yen," said Mr Kim Mahu-Je, Deputy Prime Minister and head of the Economic Planning Board. "We are taking their share."

He added, "Korea has a great price edge against Japanese ships. Demand is smaller, but we are optimistic about gaining market share."

The assertive message is one with which Korea's competitors have become all too familiar. Even so, with world shipping in the doldrums and owners scrambling to stay out of the bankruptcy courts, these are not the best of times for yards, even in Korea.

This month, Japan and Korea hold further talks in Seoul to try to bring some order to the market. They are likely to agree extensive production curbs, while Japan also intends to slash capacity further. At the end of 1985, Japan had 38

per cent of the world order book of 25.9m gross tons and Korea 17 per cent.

Over-capacity in world shipbuilding is huge. Japan, as the leading shipbuilding nation, is being hit hard by the slump in demand. Export orders have slumped. In Korea, the 1985 total of new export business was only \$522m, against \$2.3bn in 1984.

Against this dismal background, Korean shipbuilders seem remarkably cheerful.

while admitting that profits are virtually non-existent.

"The strength of the Japanese yen has made us quite competitive," says Mr Y. S. Yoon, president of Daewoo Shipbuilding and Heavy Machinery.

Daewoo runs Korea's newest shipyard at Okpo on Koje Island. A predecessor of Mr Yoon, Mr I. K. Hong, said bravely in a speech in London in 1983 that Korea aimed to take the lead in shipbuilding, though others would later supplant it.

The remarks provoked a furore among European executives in his after-dinner audience. They did not like what they heard. But Okpo and the bigger Hyundai yard at Ulsan have won the world's biggest shipbuilding orders in the 1980s.

Okpo, near the southern port city of Pusan, cost \$500m to build. Daewoo was virtually instructed to go into shipbuilding by the Government. The only problem was that this expansion came as the industry was ready to take a dive.

Okpo began in 1981 with a huge order book. Recently, it completed the largest merchant shipbuilding order ever, when it delivered the 12th container ship in a \$570m contract for United States Lines.

But Daewoo's eagerness to gather orders also caused problems. It had to take on many outside contract workers to cope with rapid growth at Okpo.

Stocks became expensively high and production controls were slack.

Mr Yoon was brought in last year to streamline the yard. Last year, the number of non-Daewoo workers was reduced from 14,000 to 10,000. Of the present 17,000-strong workforce, 12,500 are the group's own permanent employees.

"Productivity is up by more than 35 per cent," says Mr Yoon. "Korea's yards are modern and productive. But Japan is way ahead on efficiency, though Korea aims to close the gap."

At Okpo, wages and bonuses total \$450 a month, less than a third of the Japanese level. Korea's yards use about two and a half times the number of Japanese workers.

Despite slack times in shipping, Daewoo has been pulling in work. It has enough to last it until early 1988, an enviable position in the beleaguered shipbuilding industry.

It has just won an \$81m contract to build two barges for a Dutch company, expects another order for a \$30m car carrier from Norway—it is already building two—and is waiting for India to confirm orders for six edible-oil carriers totalling \$100m.

"I think we can do better than break even on these new orders," says Mr Yoon. "Korean shipbuilding still has a future. It will be the first to benefit from a recovery."

US wins \$500m helicopter contracts

THE AUSTRALIAN Government has awarded two contracts worth almost \$500m (£250m), to United Technologies of the US.

The order was won in the face of strong competition from France's Aerospatiale which offered its Super Puma helicopter.

Mr Kim Beazley, Defence Minister, announced that the first contract was for 14 Sikorsky Black Hawk helicopters which will eventually replace the Royal Australian Air Force's Bell Iroquois UH-1H helicopters.

The Air Force will acquire up to 100 helicopters under a new defence policy expected to be announced next month.

The second contract, worth \$188m, is for an additional eight Sikorsky Sea Hawks for the Australian Navy. The navy already has eight of these helicopters.

Mr Beazley said the two contracts will generate \$120m of new work for the Australian aerospace industry.

Under Australia offset rules, foreign suppliers of government contracts are required to pass on part of the work to Australian companies.

UK cheap credit for China proves hard to allocate

THE \$300m of cheap credit that Britain has promised to China is proving difficult to allocate because of big demands in both countries and the need to conform to British aid policy.

Exporters hoping to take advantage of the subsidised credit for funding projects in China may learn later this month how the money is to be allocated.

Chinese foreign trade officials today conclude 10 days of talks in London aimed at matching British and Chinese lists of suitable projects.

The talks are in preparation for the visit to Britain in two weeks of Zheng Tuohin, Minister of Foreign Economic Relations and Trade, when the soft loan agreement is due to be signed.

British officials have been looking seriously at "several dozen" UK applications, including bids from a number of household names, to use the highly concessional finance. Some of the applicants, meanwhile, have complained at the slowness of the selection.

Although the talks were said by one ministry official to have gone "quite well," it appears there are several snags.

One is that China's shortage of foreign exchange has created a rush of interest from enterprises in China itself who are no longer able to pay cash for imports of machinery and know-how.

Many of these requests from China may be ruled out because the British loan is not intended to subsidise deals that would normally be done for commercial terms.

The Overseas Development Administration explained yesterday: "We are looking at developments projects that represent good prospects for UK industry and sound economic and financial investment for the Chinese."

Behind the scenes, officials seem anxious not to spoil the Chinese market for the future by being too liberal with subsidised credit now. Other Asian markets have already been spoiled in this way, according to past government statements.

A similar snag on the British side was reported by one bidding company yesterday.

The number of applicants has been swollen by a decision to open the market for the future by being too liberal with subsidised credit now. Other Asian markets have already been spoiled in this way, according to past government statements.

The \$300m worth of soft loans was pledged by Britain in response to strong competition from other West European governments and Japan.

Industrialists, some of whom visited China on government trade missions, also demanded that a facility be set up.

The money will be raised by the banks, and the government will inject aid money over the life of the loans to produce credits costing only 3 per cent, repayable over 20 years.

Canada hopes rise as World Fair opens

THE EXPO '86 World Fair opens in Vancouver today amid high expectations that it will be one of the most successful events of its kind in recent years.

Based on unexpectedly strong demand for advance tickets, organisers estimate that around 5m people will visit Expo over the next five and a half months.

Although the fair is unlikely to make a profit, the deficit is expected to be kept within the original estimate of around \$300m (£25.2m).

In line with the theme of "world in motion—world in touch," exhibits centre on transport and communications. But the organisers have stretched the rules to give the fair a wider appeal.

Among other attractions will be visits by the Kirov and Royal Ballet Companies, an amusement park, and a large number of industry conventions.

Pavilions are located on two waterfront sites close to Vancouver's downtown area. They are connected by the city's new light rail rapid transit system.

The fair's 57 international exhibitors include the US, Soviet Union, China and Cuba, the first time that these four countries have taken part together in a trade fair in North America.

Britain has an especially strong presence and plans to use Expo as the centrepiece for a concerted trade promotion drive throughout Western Canada. Prince Charles and Princess Diana will officially open Expo '86 today and Mrs Margaret Thatcher, Britain's Prime Minister, will visit the fair in July.

Early planning and construction of Expo '86 were dogged by labour unrest and an unsettled economic and political climate in British Columbia.

But optimism has revived after an aggressive marketing effort in the US and Canada.

Japanese to boost overseas insurance cover

JAPAN'S Ministry of International Trade and Industry (MITI) is to increase insurance coverage for Japanese companies' overseas investment.

The move is in response to growing pressure for Japanese business corporations to shift production overseas to offset the yen's steep appreciation.

The current overseas investment insurance has only a limited coverage of the commercial risks incurred by Japanese companies' overseas subsidiaries.

In addition Japan is planning to join the projected Multinational Investment Guarantee Agency (MIGA).

The agency will be affiliated to the World Bank, and will reinsure against large-scale investment risks. It is due to be set up in fiscal 1987.

The Japanese government is to sign a protocol this year and will ratify the convention in the next Diet (parliament) session.

So far, the Netherlands, Italy, South Korea and Ecuador have signed the MIGA protocol.

US turbines order for GEC offshoot

RUSTON Gas Turbines, part of GEC, has won an order worth \$20m to supply power turbines to General Electric of the US, Nick Garrett writes.

The turbines will be used with GE's own gas generators for combined heat and power applications and in electricity generation.

Ruston declined to say how many turbines it would be supplying GE but the latest order follows two smaller orders over the past five years for 15 similar units.

The latest power turbines will be the largest built by Ruston and be capable of producing up to 66,000 hp.

VW's Golf/Jetta range leads Europe car output

THE VOLKSWAGEN Golf/Jetta range dominated West European car production last year, according to an analysis by the UK's Automotive Industry Data (AID) group.

Output of the models at VW's highly automated Hall 54 in Wolfsburg, near the East German border, was well ahead of the nearest rivals, Columbia.

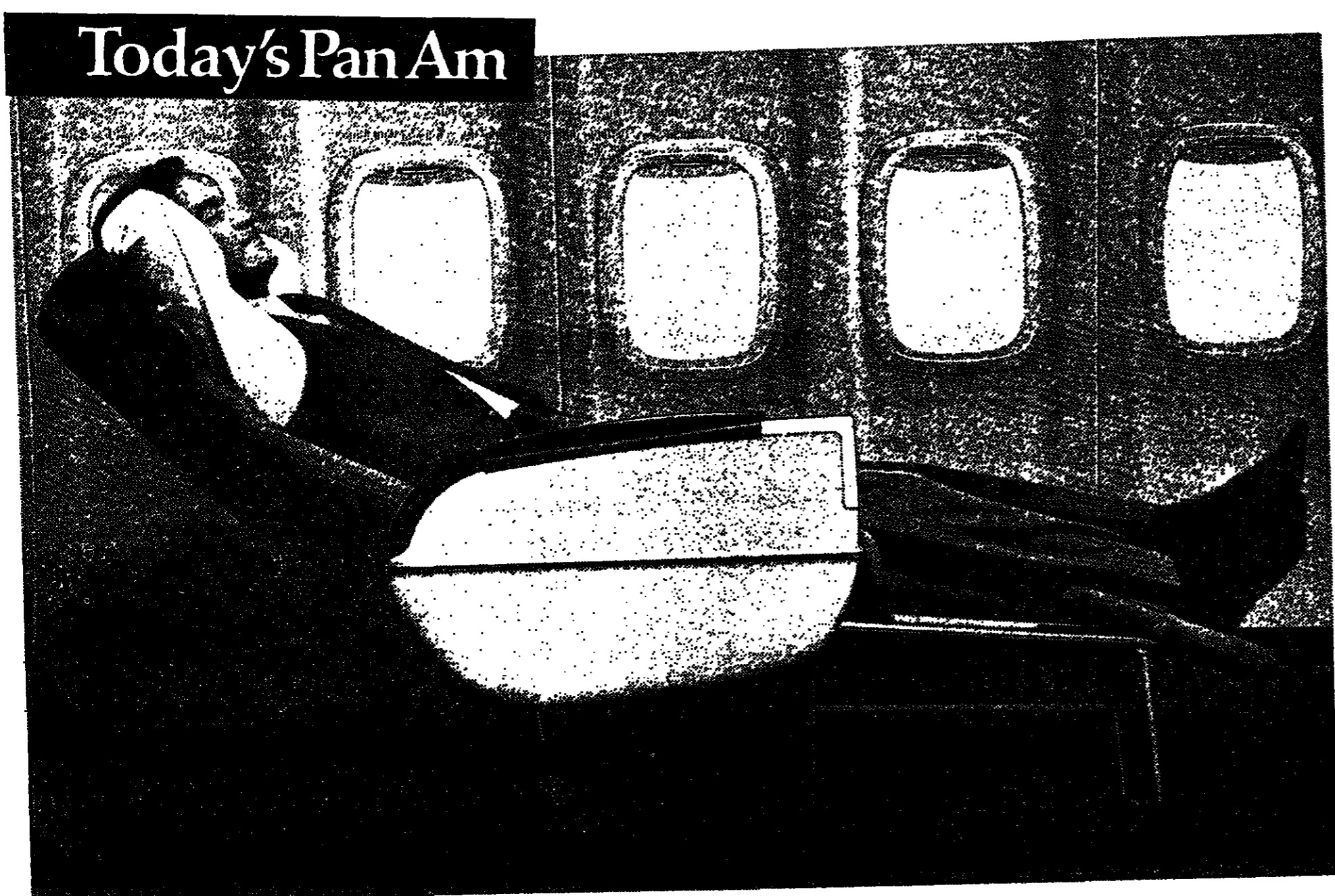
The Golf hatchback alone was still clear leader in 1985, with 648,096 built.

General Motors' Opel Kadette/Vauxhall Astra, also mainly built in West Germany, just pipped Italy's Fiat Uno for second place in the European production league.

For of Europe had more models in the top-ten list than any other manufacturer and its

Manufacturer/ model	Total
1 Volkswagen Golf/Jetta	678,991
2 General Motors' Opel Kadette/Vauxhall Astra	574,351
3 Fiat Uno	555,572
4 Renault 9/11	537,167
5 Ford Escort/Orion	527,341
6 Peugeot 205	474,773
7 Renault 5	455,029
8 Ford Fiesta	443,774
9 General Motors' Opel Ascona/Vauxhall Cavalier	340,504
10 Ford Sierra	326,467

Source: Automotive Industry Data



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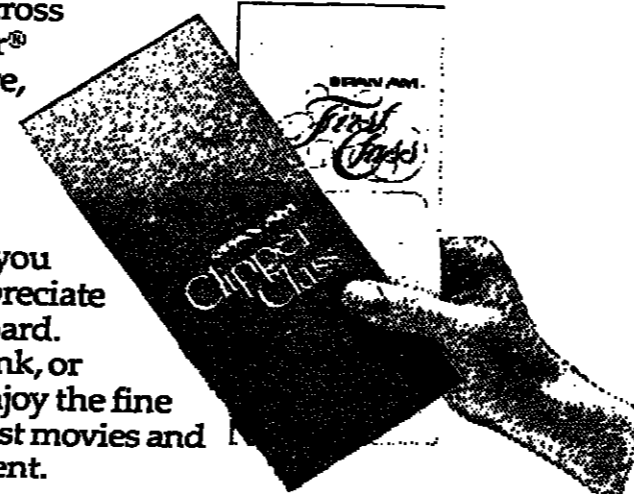
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A fine balance of what is possible, what is desirable and what is expected. Many things are now feasible that were just emerging as bold ideas when the second generation S-class went into production over six years ago.

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The new engines are more powerful and more silken than before.

Fine tuning of the S-class suspension has resulted in an even higher degree of smoothness and stability (rear seat passengers are now in for a quieter and more stress-free ride than ever).

The exterior, too, has become subtly more in tune with the air flow.

The observant will notice a deeper front spoiler, smooth side mouldings, and integral fairings that reduce drag and lift forces still further.

In all, the new S-class and SL range has a specification that goes significantly beyond the previous one.

Yet, reassuringly, very little appears to have changed at all. Which proves that consistency of direction is the surest way of achieving progress.



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THE NEW SE & SL HAVE 3 ENGINE OPTIONS: 300, 420 OR 500. THE NEW SEL & SEC HAVE 2 ENGINE OPTIONS: 420 OR 500. LATER THIS YEAR, 560 SELs & SECs WILL BE AVAILABLE.

TECHNOLOGY

David Fishlock, Science Editor, on Mr John Fairclough, the government's new chief scientific adviser

UK science policy gets the IBM touch

"MY BACKGROUND is making money out of technology," says Mr John Fairclough. "I'm not a scientist—I really am not." Yesterday Mr Fairclough officially began a two-year secondment from IBM (UK)—for which he has worked for 27 years—to the Cabinet Office as the UK government's new chief scientific adviser.

A forthright Yorkshireman of 55, with an engaging grin, Fairclough is the antithesis of smooth Sir Humphrey of television programme "Yes, Minister." He makes it clear that he will be no lobbyist for academic science. He will not even use the honorary doctorate academe has bestowed. He is proud of being an electrical engineer and "plain mister."

Yet the academic community, which once saw the post of CSA as its voice, in the Prime Minister's ear, may find Fairclough a very staunch ally in pursuing at least some of its aspirations: "small science" rather than some of its grander schemes.

For the past two years he has been pumping IBM money generously into chosen British

universities, through an educational scheme called the IBM Institute. It begins with the notion that computing should be taught less as a discipline and more as an all-pervasive skill that enables better research to be done in any subject.

Fairclough has been inviting universities to bid for substantial packages of computing power and skills, worth up to £2m each but available gratis, as teaching aids for the students. Beneficiaries already include the engineering department at Cambridge, chemical engineering at Imperial College, the Manchester Business School, and even PFE (politics, philosophy and economics) at Oxford. The next will be biological sciences.

One way of seeing the Fairclough initiative might be as the gesture of a rich foreign manufacturer seeking to infiltrate British universities with its wares. A more far-sighted view would be that it is a clever way of helping to upgrade the infrastructure of British education at a time when the universities complain they are

very hard-pressed for cash.

More obviously self-serving for IBM interests in his recent commitment of about £2.5m to computer integrated manufacturing (CIM) studies at the Cranfield College of Technology. At its plant in Greenock, near Glasgow, which is the centre for all its personal computer production in Europe, IBM believes it has one of the most advanced examples of CIM coming on-stream. Cranfield will help keep a key manufacturing technology advancing in Britain, and will train IBM's future managers and — a growing worry, he stresses — those of its British suppliers.

Fairclough walks into the Cabinet Office as a company man, still on the IBM payroll, seconded initially for two years. Unlike his predecessor, he will carry no civil service grading. (Sir Robin Nicholson, who vacated the post in January to join Pilkington, was a deputy director aiming particularly at the City, and another as a general manager in the US. Since 1974 he has been responsible for research, development and manufacturing in Britain, where IBM has a development laboratory employing 2,000 and factories employing 5,000.

the CSA has no money to spend, it is all down to whom he can influence, right up to the PM himself. He was undeniably successful, and recommended Fairclough as his successor.

Already Fairclough has prevailed upon Sir Robert Armstrong, head of the civil service, not only to give him the "freedom not to get buried in Whitehall hierarchy," but also to persuade the new IBM (UK) chief executive, Mr Tony Cleaver, to second him at his IBM salary (which substantially exceeds that of Sir Robert himself).

The next big test will surely be how freely he mixes with the mandarins. Fairclough brings a rich spectrum of experience to Whitehall, spanning development of the IBM 360 series in the mid-1960s, a spell as marketing director aiming particularly at the City, and another as a general manager in the US. Since 1974 he has been responsible for research, development and manufacturing in Britain, where IBM has a development laboratory employing 2,000 and factories employing 5,000.

It is some measure of the job he leaves that it is being filled by two senior IBM executives.

Above all, he brings a conviction that science needs much more skilful management in Britain, and that IBM has a philosophy here which should be applied much more widely. Britain is a naturally inventive society. "It's the pull from industry that is the major problem."

The trick, he says, is to separate research clearly from the pressures of development and production — without ever losing sight of the science. Instead of "R and D," research should remain the responsibility of scientists, while development should report to a project manager held accountable all the way to the marketplace.

Smooth transfer of science across the divide between research and development has been a vital part of his job for over a decade. It begins with funding the scientists adequately and independently for objectives relevant to the corporate goals, and ensuring that the project managers have every incentive to dip constantly



Mr John Fairclough believes science needs much more skilful management in Britain

into that science.

Fairclough admits that he does not yet know how far the IBM model will apply nationally to Britain's weaknesses in exploiting science and native inventiveness. "But it's a good starting point."

He fears, from his own recent experience of life in the universities, that there is a danger already that Britain's pure science base is becoming over-credited with development work from industry, at the expense of producing new science for future generations of products.

US system for word processing in Chinese

By Geoff Charlton

WHEN IT comes to word processing, the Chinese have a problem. There is no alphabet, no straightforward method of typing and any uttered sound has a meaning determined by the intonation. Each verbal variation has a written character of its own, giving rise to many thousands of characters.

The problem arises from the fact that all sounds in Chinese are single syllable, and since there is a limit to the number of such sounds a human can utter, the Chinese have had to allocate many meanings to them.

Nevertheless, the potential word processing market is immense and a Minneapolis company, Intech Systems, has set about exploiting it with a \$3,500 desk top machine. This has a touch sensitive screen but no keyboard, and is connected to a disk store and a high definition dot matrix printer costing an additional \$1,500. Versions are available that have either 6,000 or 12,000 Chinese ideograms in memory.

The problem is to extract the ideograms the writer wants and assemble them in text. Fortunately, there are established "Westernised" versions of Chinese sounds, widely known by educated Chinese. One is Pinyin, which uses English characters in groups to simulate the basic

sound. The user of course knows the ideogram he wants, and the phonetic Pinyin version. For example, "wan" on an initial screen display, the Roman alphabet is shown and the user touches the "w." The next screen brings up all the ideograms that start with "w" in their Pinyin form — wan, wing, wa, etc. and wan. He touches "wan" and the display changes to show all the ideograms with that basic sound, in intonation groups.

Touching the required ideogram shifts it to an "assembly line" at the top of the screen. Repetition of the process for all the following ideograms gradually builds up a line of text.

Intech claims that, unlike most Chinese text machines with keyboards, very little training is needed and the new system is relatively fast. After blocks of text are built up (either vertically in traditional Chinese style or in western left to right fashion), the normal word processing functions are available to correct or rearrange the text.

Apart from its "stand alone" role, the machine, designated CP2050B, can be connected to existing personal computers and minicomputers / mainframes, of which there are thought to be 120,000 and 1,200 respectively in China.

No-winding motor from Japan

SMALL MOTORS that use sonic vibrations to generate motion have been developed by Matsushita and could be marketed next year.

Instead of electric currents that generate magnetic fields to cause motion, the new motor makes use of piezo-electric transducers, crystal-based devices which produce small oscillating movements and forces in sympathy with applied alternating voltages.

An arrangement of the transducers (not revealed by Matsushita) embedded in a stator causes a circle of metallic segments to vibrate, so that rotation occurs in the disk or ring rotor with which they are in contact. The stator turns the rotor by friction. Matsushita claims that 45 per cent of the input electrical power is converted to mechanical energy.

The simple structure means that lightweight and compact motors with high torque at low speed can be designed. Other advantages claimed are a high holding torque when stationary and stable control of low-speed rotation. Likely applications will be

in camera zoom drives, industrial robots and car equipment. Matsushita's brands include National, Panasonic, Technics and Quasar.

WORTH WATCHING

EDITED BY GEOFF CHARLTON

OPTICAL DISK subsystems have been launched by Sperry for the Series 1100 mainframe computers, providing over 2.5bn bytes (characters) of storage per double-sided platter. Sperry offers systems holding up to 330bn characters (330 gigabytes) of data.

Based on Hitachi non-erasable optical recording units, the subsystem is used to write data once only and then read it many times.

Optical disk storage is well suited to keeping large amounts of data on-line and also for archiving information. It works well in tandem with magnetic storage, which is applied to high-speed read

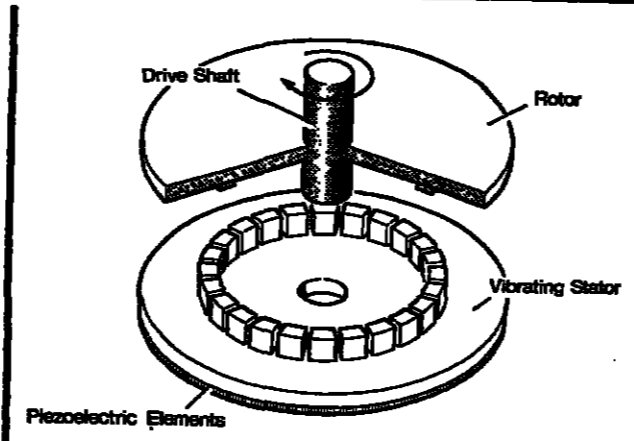
and write while the optical disks are used to hold mass data that is less frequently used, with interchange on and off the magnetic disks.

TELEPHONE testing systems that reduce maintenance costs and can pin-point faults have been developed by Teradyne, the US-based automatic test equipment company in Bracknell, UK (0344 426880).

For example, with liberalisation and the proliferation of customer-connected equipment, phone companies need to know if a fault is theirs, or the customer's. So Teradyne has devised a small unit called D-MARC which is used remotely from a telephone repair centre. The line is examined electronically as far as the D-MARC box and if the fault is not revealed a pulse is sent which opens the premises to further testing.

Teradyne has also developed a CDS or craft dispatch system, which obviates writing problems when many field service engineers try to ring in for instructions first thing

Disc-type ultrasonic motor



in the morning. Job data have been sold to four Japanese companies in Tokyo, Osaka and Chubu.

Line loading signals from up to 40 mooring lines, measured by transducer, are relayed to a dock-side computer that records the tension in each line and then simulates the situation on a visual display screen. Overloads and underloads are shown, and alarm signals sound in dangerous situations.

Line loading signals from up to 40 mooring lines, measured by transducer, are relayed to a dock-side computer that records the tension in each line and then simulates the situation on a visual display screen. Overloads and underloads are shown, and alarm signals sound in dangerous situations.

MOORING LINE tension monitoring systems worth \$400,000, made by Isle of Wight (UK) company Strain-stall, for oil and gas tankers,

BICC boost to machine safety

MACHINE SAFETY systems for industry have been introduced by BICC Electronic Cables (051-420 2615) for use where personnel must be protected from moving machinery.

Called Pressline, the system is based on a robust, pressure sensitive electric cable and is a cost effective alternative to mechanical pull wires, panic buttons, pressure mats and limit switches.

When the cable is pulled, bent or compressed, electrical resistance between the two conductors changes, causing an electric monitor to stop the machinery.

INTERGRAPH

AN article on April 17 stated that Intergraph's share of the Cad-Cam systems market fell last year. The company has asked us to point out that its total sales last year rose 30 per cent, faster than the estimated 23 per cent growth of the total US industry.

Understanding the language insects use led us to new ways of protecting plant life.

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Innovative plant protection from BASF: making new ideas work.

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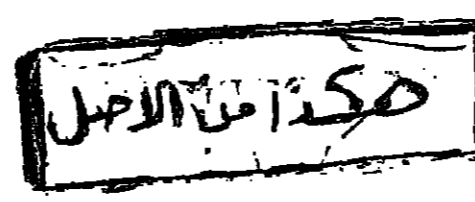
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GAZING OUT of his office window, across hectares of muddy cabbage patches, towards Stuttgart and the nearby Black Forest, Joachim Lüngershausen, managing director of the Robert Bosch group's power tool division, muses on the future of the industrial landscape.

He has monitored Japan's encroachments in so many sectors that he can almost imagine the day when Far Eastern interlopers may steal away the local chicken clock business. But he gives the impression that he would not mind if someone removed the surrounding sauerkraut industry: "The smell in autumn is awful."

When the Japanese made their first ventures into the European power tools market a few years ago, he recalls: "They made us think. We decided: no, this is not going to happen to us."

Although it is a relatively small part of the Bosch automotive and communications technology plant, turnover was DM 1.4bn (£425m) in 1984 compared with the group total of DM 18bn (£5.5bn)—the power tool arm is a core business, Lüngershausen stresses.

It fits logically with other Bosch products built around an electric motor, such as windscreen wipers and starters. However, the logic of the manufacturing fit turned out not to be matched by the efficiency of the management of the division. The initial drive to secure the company's position showed that the defences needed strengthening. In some places they did not exist.

For example, the company, which had 50 years' experience and a high reputation in the industrial power tool business, had totally ignored the strong British market for do-it-yourself equipment. Only in 1979, when Black and Decker of the US was enjoying a virtual monopoly and Makita and Hitachi from Japan were showing an interest, did Bosch begin to pay proper attention.

"We are a basically conservative company, but as we gain experience we are getting more adventurous," Lüngershausen explains.

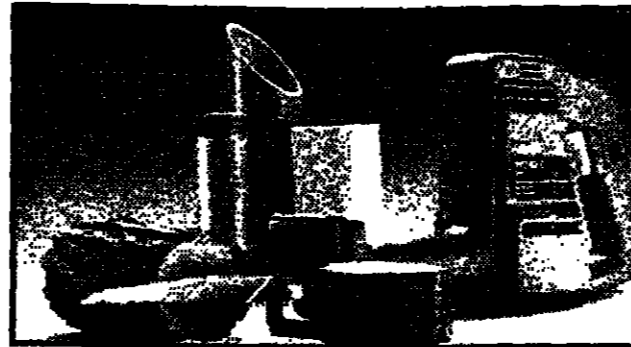
The company has also had to learn how to apply the experience. He refers repeatedly to the case of the "Flemish prospectus" as a testament to Bosch's stodgy ways. The company had for years fished at printing its Belgian catalogues in Flemish as well as French, refusing to acknowledge the two clearly defined population groups which made up separate markets in Belgium.

"We felt comfortable as we were, arrogant if you like. But

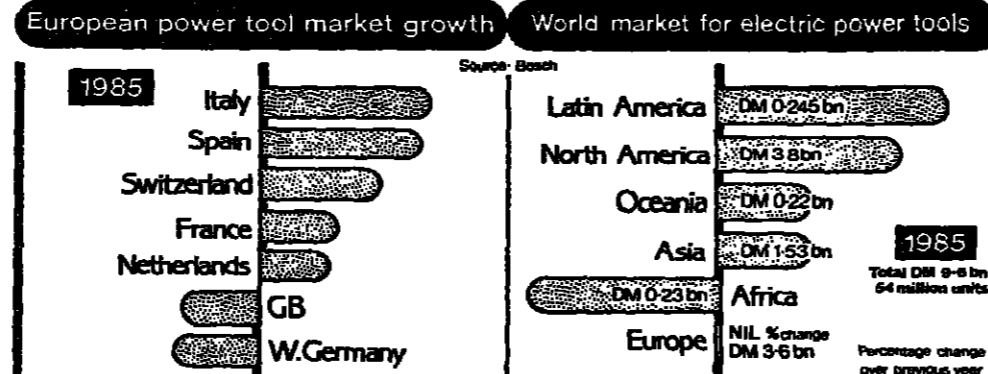
How Bosch strengthened its defences

Christopher Parkes

reports on the West German power tool maker's response to US and Japanese competition



Bosch has high hopes for this multi-purpose power saw



arrive and the old ones react," says Lüngershausen. Japan now has about 5 or 6 per cent of European business.

Husbanding its energy and resources, Bosch has since attempted to reinforce its position by blending its newly-acquired marketing skills with the qualities traditionally associated with the group.

"We were all cooking with the same ingredients," Lüngershausen observes. "When pro-

duct and price are equal then the emotional elements—the 'software'—like quality, brand name, continuity and conviction come into play."

It was during the struggle to match the Japanese on price that the division came up against a close relation of the Flemish prospectus. Lüngershausen describes it as the "can't be done syndrome."

Bosch power tools, he says, had a similar cachet to the

Mercedes motor car. Everyone wanted them but most thought they were too expensive.

Bosch could do little about the power of the D-Mark which tended to govern pricing policy, and was obliged to begin a minute examination of its products. "We took them apart down to the smallest washer and asked: 'does it have to cost 10 pennings?' It was a grinding process," he says.

The concept of cost engineer-

ing proved difficult for many to accept. Practising engineers, for example, tended at the start to state "it can't be done" and to ask management which components they wanted taken out.

Management insisted. Helped by the campaign, the price of the company's 2 kg hammer has been brought down from DM 800 to DM 300 with no loss of quality. Annual sales have increased 20-fold in the past few years, Lüngershausen boasts. It is now the division's main line, he says, and sets a price and quality standard for the rest of the world to match.

Cost engineering continues, and will remain an integral part of company policy, even though it becomes more difficult all the time. The recent revaluation of the D-Mark within the European Monetary System, for example, has set the company a fresh challenge.

One day a week 20 people gather in the research department—from directors to the bean counters—for brainstorming sessions. The importance of the task is underlined by the weekly appearance of the main board director responsible for motor-driven equipment.

The company's reaction to the incursions of the Japanese has produced a steady growth in the company's position in all European countries. Apart from Hilti of Switzerland, it is the only importer with a significant presence in Japan, claiming a 4 to 5 per cent share of the market. But it still faces many challenges, and Lüngershausen is the first to recognise them.

Despite its advances, it is still to some extent hampered by its traditions and conservatism. "Metal working is in our

This distraction apart, Bosch expects long-term growth in Europe to stabilise at around 3 per cent to 4 per cent a year.

Company research shows home ownership is increasing steadily and the housing stock is ageing. The restoration of economic growth will increase disposable income and boost house building.

Above all, Lüngershausen has an enduring faith in the durability of existing technology. "Nothing can replace the electric tool," he claims.

"You could drill a hole with a laser... but you would have to evacuate Stuttgart first."

blood," says Lüngershausen. "We are well established in woodworking for the DIY market, but not among professionals, not even in Germany."

The company could also find itself in a quandary over new trends in marketing which are blurring the distinction between industrial and household tools.

Japanese professional brands and even Black & Decker industrial tools are beginning to appear in multiple retail chains, appealing to the more skilled handymen and the growing ranks of moonlighters exploiting the black economy. Bosch is resisting. It has no wish to disturb its distinctive relationships with the different sectors of the distributive trade.

It is fighting what could be a rearguard action, sending teams out to buy back professional tools whenever they find their way into retail outlets.

But corporate conservatism could prove to be a positive asset when Bosch finally confronts its biggest challenge to date—the US mass market. At present it manufactures a small range of specialist professional tools in North Carolina and claims about 5 per cent of the overall trade. "I think we will stick with this for a while," says Lüngershausen, cautiously.

"The US market is big, seductive, difficult and dangerous." The company needs to be sure of its ground before it makes any further move. Bosch is known mainly for spark plugs, its anti-skid devices and for making the magneto in Lindberg's aircraft, Spirit of St Louis.

It lacks the experience, dealers and distributors for tools, and it has learnt from the fortune it spent on establishing the brand in the relatively small UK market about the costs of breaking new ground.

Bosch also needs the tools to suit American needs. Its speciality in two-speed equipment designed for brick and concrete homes in Europe is of little use in a society which tends to live in timber-framed houses and prefers single-speed drills.

It will also need to draw on its newly-discovered powers of marketing aggression. The Japanese are already strongly placed in the US. They account for two-thirds of the imports which make up 25 per cent of the total market, and last year Bosch lost its position as the only overseas supplier manufacturing in the US when the aggressive Makita opened a factory in Georgia.

Everything has to be right before the company makes a move. As Lüngershausen says: "You can't go in and then pull out again—not if your name is Bosch."

Markets nearing saturation

and the consequent fall in advertising expenditure by the main manufacturers.

This apparent dependence on innovation and advertising shows that important markets are maturing and rapidly approaching saturation. However, Lüngershausen is confident that things will improve this year. Bosch has high hopes for a multi-purpose hand-held power saw and the trade in cordless tools is developing rapidly.

Black & Decker, the world market leader, is also emerging from an extended ration-

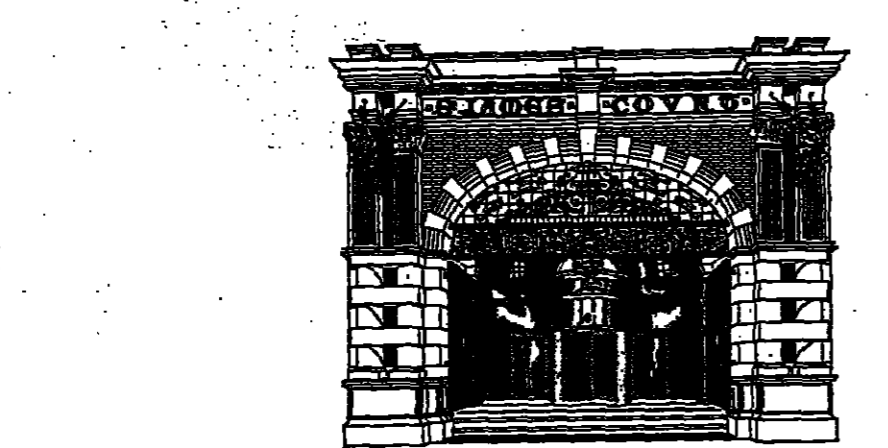
alisation programme. "They will be back," Lüngershausen predicts. "They will advertise again when they are repositioned and the whole market will benefit. Margins will return and it will be a sound business again. We need money to innovate."

But if Bosch is puzzled by last year's unexpected slowdown, Lüngershausen is confounded by the extraordinary resilience of the group of small companies which are still managing to make a respectable living in the market.

Despite estimated manufacturing over-capacity of 10 per cent worldwide, there are still some 30 or 40 manufacturers in Europe—mostly in West Germany—which are holding on.

But many of the persistent stayers are good old brands trusted by craftsmen who provide them with a valued core market.

"They also take advantage of other bigger manufacturers building a market. They may be losing market share but they are doubling their volumes."



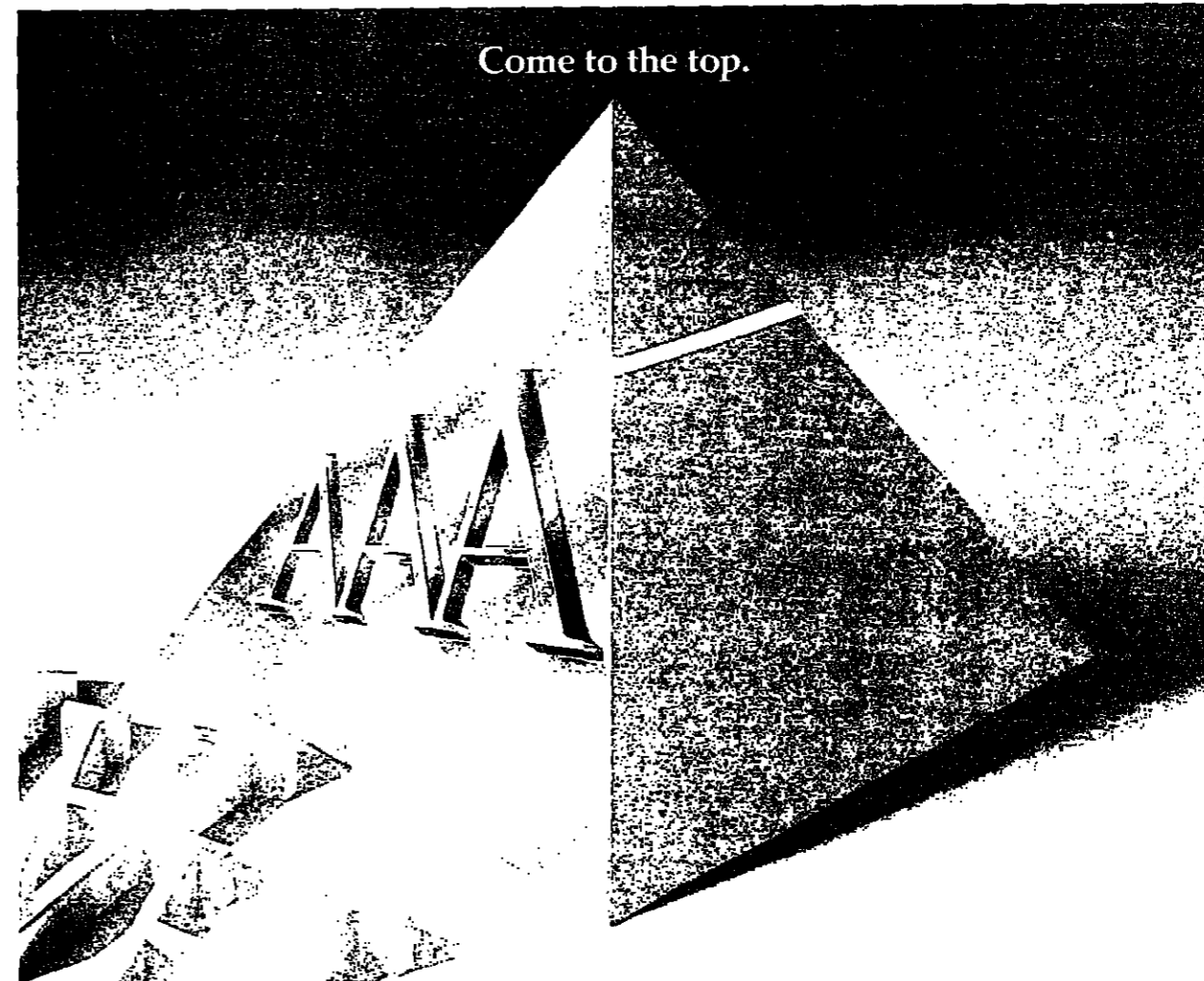
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The diamond market has turned the corner

- the strength and resilience of the centralised selling system is underlined.



De Beers
Julian Ogilvie Thompson's
Statement for 1985

1985 marked the turning point in the market for rough diamonds and underlined the strength and resilience of De Beers' centralised selling system. This was particularly gratifying in view of the problems experienced in other commodity stabilisation schemes. World retail sales of diamond jewellery attained yet another record, exceeding the 1984 figure by some three per cent. Geographically, sales were more evenly spread, the increase in the United States being less spectacular, and in the other industrialised countries more pronounced, than in 1984.

Cutting centre stocks down

The CSO continued its policy of only offering for sale those goods for which there was immediate demand. Stocks in the cutting centres have been brought down at last to reasonable operating levels, and manufacturers have been able to trade profitably in meeting the demand generated by the record retail jewellery sales. It follows that after this protracted and difficult period of destocking, the pipeline between the CSO and the ultimate consumer has contracted to the point where CSO sales should once again be more directly related to retail demand. Looking further ahead, the prospect is that the recent sharp fall in the oil price should bring about lower inflation and higher growth in the industrialised countries, and hence higher sales of diamond jewellery.

Sales trend continues

CSO sales in the second half of the year were the highest since 1980. These trends have continued into the current year with demand for rough gem continuing at a high level during the first three sights and on 8th April the CSO announced an overall increase of 7.5 per cent in the price of rough gem diamonds with effect from the fourth sight in May.

Net current assets improved by R204 million, while long and medium-term borrowings and preference shares in issue by subsidiaries together fell by R12 million, giving an overall improvement in funding of R216 million. Had the conversion rate used in 1985 applied in 1984 as well, the improvement would have amounted to R532 million. Our borrowings are low in relation both to our overall facilities and to our total assets.

The value of investments and long-term loans outside the diamond industry increased by R2,193 million to R5,880 million, or 1.634 cents per share, and yielded income of R215 million compared with R183 million the previous year.

Industrial Division

Our Industrial Division had another satisfactory year, with profits in Dollar terms being marginally ahead of the 1984 figure though total sales fell just short of it. Carat turnover in natural diamond increased, but the reduction in sales value - caused largely by the slump in exploration drilling for minerals and oil - and the lower synthetic grit sales were not quite offset by noticeably improved sales of the newer polycrystalline diamond and other hard abrasive products.

Continuing research and development have enabled us to offer a more comprehensive range of diamond and cubic boron nitride composites than any other manufacturer, and several interesting opportunities lie ahead. Research into new uses for natural diamond grit has been especially active in the light of the increased quantities that will be available now that the Argyle mine, a major producer of boart and drilling stones, is coming into full production.

Production from the De Beers mines and Debswana, in which De Beers has an equal partnership with the Government of Botswana, fell slightly by 85,000 carats to 23,251,000 carats.

The report of a commission, appointed in 1982 to inquire into alleged irregularities and misapplication of property in representative authorities and the central authority of South West Africa/Namibia, known as the Thirion Commission, was published on 7th March 1986, by the Transitional Government of National Unity in Windhoek. Among the Commissioner's findings CDM, without having given evidence or been called upon to do so, is said to have breached the provisions of its mining title, namely the Halbscheid Agreement, which requires that mining should be carried on "satisfactorily to the Administration and not with a view to exhausting the superficial and more valuable deposits to the detriment of the low grade

deposits". At no stage has there been any suggestion from the Administration that CDM was not carrying on mining satisfactorily and CDM is confident that it has not breached any of its obligations and that its mining practices have not been detrimental to the State. On the contrary, by the introduction of innovative and cost-effective techniques CDM has rendered hitherto unpayable ground payable, and thus progressively extended the life of the mine. On current projections, only about two per cent of the estimated original carat inventory of the mining area will be left behind at the end of the life of the mine. Of this, about half is in ground which is inaccessible using current mining techniques. In the meantime, prospecting continues in the hope of identifying new reserves. Naturally, within the limits of production technology, CDM has always followed a policy of responding to market conditions, so that when demand is high more diamonds are produced

and when the market is in recession, as it has been over the last five years, the rate of production is lowered. Indeed, since 1981, a number of production facilities at CDM have remained temporarily closed without affecting CDM's share of sales. These facts are hardly compatible with a policy of excessive depletion of CDM's reserves. As in the past, CDM fully intends to continue operating within its rights and obligations, in consultation with the authorities and in accordance with the law.

Unified wage structure

Industrial relations on our various operations have been satisfactory, due in part at least to the Company's long-standing adherence to a unified wage structure and continuing implementation of merit-based manning policies, supported by extensive training and development programmes for employees at all levels. The removal of statutory job reservation in the mining industry in South Africa is now a matter of great urgency, and intensive discussions between the industry, the unions and the Government are at last taking place. It is crucial that the outcome should be fair and should provide equal opportunity to all.

Committed to change

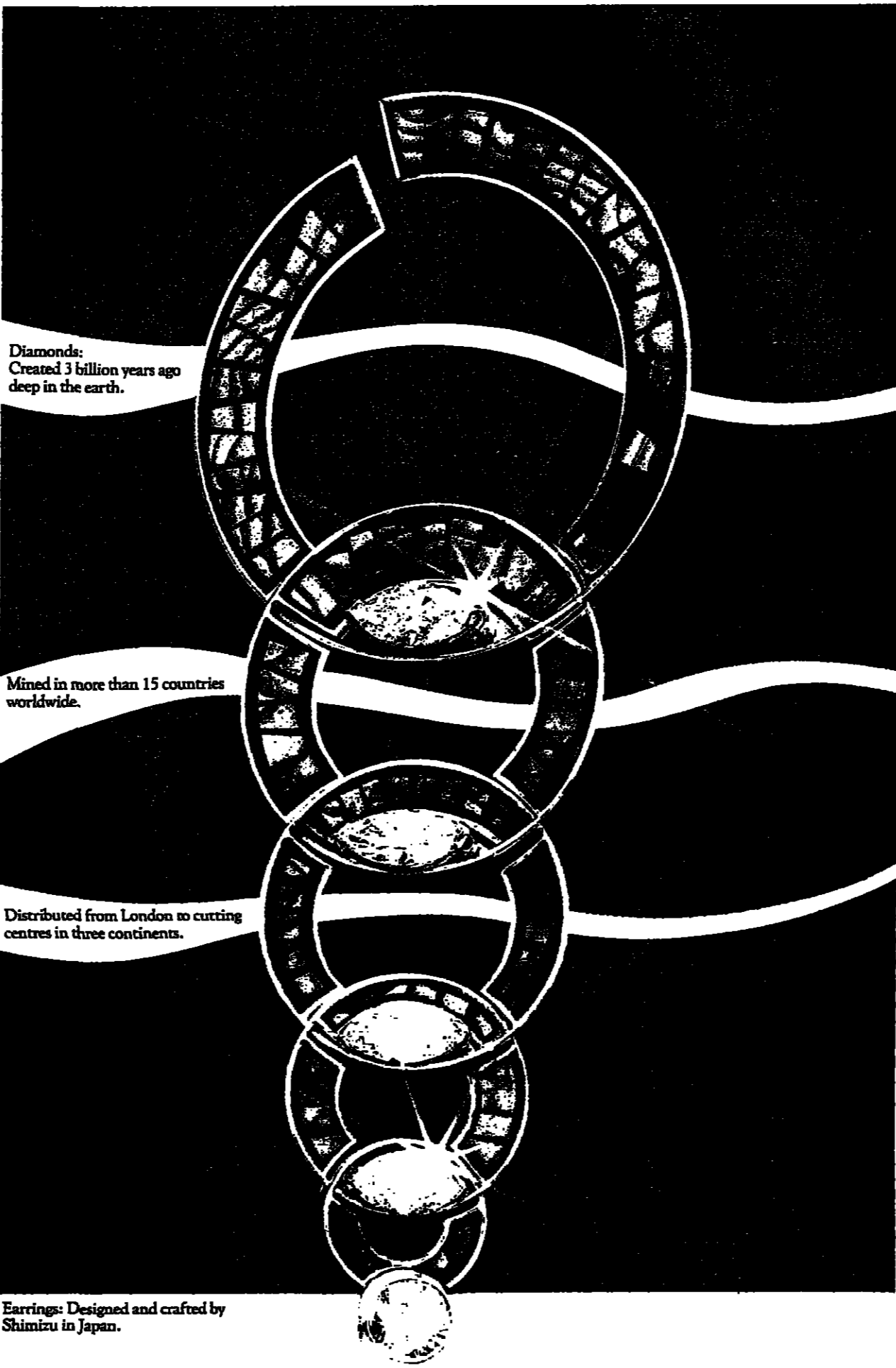
South Africa has been through a particularly difficult year. The need to abolish apartheid in all its forms and create a socio-political dispensation that gives fair and equal opportunity to all is now more widely recognised than ever before. Your Company has long been in the forefront of those committed to such changes and it is encouraging that the Government has announced many substantial reforms. Several have been implemented and the remainder are expected to receive legislative approval during the present session; it is hoped that further initiatives will soon follow. We shall continue to do all we can to accelerate the process of evolutionary change.

Our Deputy Chairman, Mr Nicholas Oppenheimer, has succeeded Sir Philip Oppenheimer as Chairman of the CSO. Sir Philip filled that role with great distinction for 30 years and De Beers and, indeed, the whole diamond industry is deeply indebted to him. Fortunately, we shall still benefit from Sir Philip's experience and wisdom for he will continue to be a member of our board and to play a leading role in certain key aspects of the CSO's activities.

Over the past year I have been able to visit each of our main operating centres and have been impressed everywhere by the loyalty, enthusiasm and devotion of De Beers' employees. Their efforts over this decade in containing costs and yet maintaining productivity have been of great importance in helping us to come through a period that has been the most difficult in De Beers' history since the 1930s. The board and I are extremely grateful to all our people for these achievements.

The full Chairman's Statement is contained in the Annual Report of the Company for the year ended 31st December 1985 which was posted to registered Shareholders on 1st May 1986.

De Beers Consolidated Mines Limited
(Incorporated in the Republic of South Africa)
London Office
40 Holborn Viaduct, London EC1P 1AJ.



Diamonds:
Created 3 billion years ago
deep in the earth.

Mined in more than 15 countries
worldwide.

Distributed from London to cutting
centres in three continents.

Earrings: Designed and crafted by
Shimizu in Japan.

This earring, with marquise and round shaped diamonds set in mother of pearl was one of 30 successful entries from 1428 designs submitted from 33 countries for the Diamonds-International Awards presented in Milan in March. These awards have been organised by De Beers for over 30 years to help improve the quality and standard of jewellery design.

De Beers

سكينة بنت الامير

Financial Times Fr
Arts
Week
F S S M T W T F
1 2 3 4 5 6 7 8
Theatre
LONDON
and Me a Year: Global Press
...
Paris
Exhibitions
WEST GERMANY
BRUSSELS
SPAIN
ITALY

THE ARTS

Cinema/Nigel Andrews

Too shady a picture of paranoia

Shadey directed by Philip Saville... The Jewel of the Nile directed by Lewis Teague... The Legend of Billie Jean directed by Matthew Robbins... Zina directed by Ken McKullen

We have all seen, have we not, those TV news items... about people who claim to be able to 'think' mental images onto film?

In the 'surrealistic black comedy' Shadey, written by playwright Susan Wilson... and directed by Philip Saville... Anthony Sher plays the paranoid hero...

This being the ideal world of cinema, Shadey's thought-movie... is in glorious colour and crystal-clear... What is not crystal-clear is what the movie itself is about...



Making up an image—Anthony Sher in Shadey

Macnee) whose activities include eating coal from the fireplace, trying to drown herself in the sea and stabbing Shadey in the genitals... Macnee's daughter (Leslie Ash), a model who acts in kinky TV commercials...

If directed at a consummately deranged lick by Ken Russell, or in despojan-Firanesian style by Terry Gilliam... the whole thing might have worked...

In a week's films not noted for their high degree of sanity...

Flesh And Blood is slightly less bonkers than Shadey. But only slightly... 'Come on, you bloody bastards, this stuff's curli curler...'

With films like this, who needs World War III? Ever and anon Dutch director Paul Verhoeven... Orange and The Fourth Man) varies the blood and thunder by putting a poetically memorable image up on the screen...

Ere long, it is all happening out there in the country. Miss Tyrell delivers a stillborn child. A beautiful princess (Jennifer Jason Leigh) is kidnapped and gang-raped by the gang...

I wish I could extend relief to your fevered brow by speaking well of The Jewel Of The Nile, an all-action follow-up to Romancing The Stone... the camerawork is torpid...

tic novelist Kathleen Turner and adventurer Michael Douglas into the heart of the Sahara for a long and painful seizure of a movie yarn...

All resemblances between this Arab demagogue and any real-life Arab demagogue are purely coincidental. So are all resemblances between this film and Romancing The Stone...

At least The Legend Of Billie Jean, a tale of teenage revenge in the American South... goes about its business with a urdu flacid blood-letting or frantic tongue-in-cheekery...

A missing page in the press hand-out prevents me from commending the writer and director by name, but the film is sharp, credible and refreshingly lively.

Not so Ken McKullen's Zina, which moves at the pace of a stunned tortoise. Leon Trotsky (Philip Madoc), Trotsky's daughter Zina (Domiziana Giordano) and Zina's psychoanalyst (Ian McKellen) crawl through austere historical Delphic obscurity...

The Winter's Tale/Stratford upon Avon

Martin Hoyle



Penny Downie and Jeremy Irons in The Winter's Tale

The strengths and defects of this quirky, likeable and stream-lined production (150 lines cut, but pace has more to do with buoyancy than mere length)...

We first see the court of Sicilia through white gauze to the haunting minor key tinkling of Nigel Mess' wintery music...

Interest soon centres on a jealous Leontes, Jeremy Irons plays him as Hamlet in manic mood, twitchy, restless, whimsical and nervous...

Strangely and looking alarmingly like Mr Richard Branson, Gerard Howland's set and Alexander Reid's costumes are often beautiful and always eye-catching...

Strangely and looking alarmingly like Mr Richard Branson, Gerard Howland's set and Alexander Reid's costumes are often beautiful and always eye-catching...

boots and hood. The giant bear rears 20 feet or so overdoor Antigonus before sagging disappointingly into a hearthrug. After an initial bear disguise, Autolycus is disguised as a Turkish peddler...

Colour is used carefully throughout. For the oracle scene white is splashed by crimson capes and sashes in Napoleonic consular splendour...

Penny Downie doubles as mother and daughter. A loving, no nonsense Hermione, she looks slight too old for Perdita though sweetly and graciously spirited and fresh...

William Barge slightly exaggerates Paulina's eccentricity, too consciously a character. Paul Greenwood's Polixenes is puny in rage, flimsy in authority...

Baal/Almeida Theatre

David Murray

Brecht wrote the first version of Baal when he was 20, and it is a truculent self-portrait... the poet as irresistible monster...

The result is that Baal-the-poet remains out of focus. It does not help that Bray seems basically a nice boy, even clean-cut, especially among the bourgeois grotesques...

Billy Dawson is a moving Sophie, the longest-running and most abused of Baal's women; as his helplessly besotted male friend, Stephen Jameson is decent and desperate...

Stephanie Howard's designs permit each of the many scenes in slip swiftly into the next, and the director Nancy Meckler has ensured a clear narrative line...

The Marriage of Figaro/Theatre Royal, Glasgow

Rodney Milnes

What can a director do with Figaro, a work so far fiercely resistant to the chain-saw and oil rig school of opera production (and that is not intended as a challenge)?

Mr Cox's production was focused tightly on the four principal characters, almost to a fault. Some of the subsidiary roles were recast in a stock way...

ing from the orchestra, pacing each dramatic paragraph with unerring skill, and showing with his care for individual phrase and instrumental colour that he was fully aware of what the music is implying both about the action and through it...

Mr Cox's production was focused tightly on the four principal characters, almost to a fault. Some of the subsidiary roles were recast in a stock way...

perhaps because both were guests from Covent Garden and were still not used to the smaller house—their tone was too forceful, almost hectoring at times...

The Count is the trickiest of the quartet. In the person of Jonathan Summers he was not just amiably randy, more a compulsive satyr, as the tactfully draped statue in the first act warned us...

Such matters of nuance can change from performance to performance. What cannot change, alas, is the curiously ugly decor by the playwright John Byrne...

Confronted with current affairs instead of legend, Tim Harold Prince has come from America to spend a week supervising the direction of Evita, with two lady assistants...

Such matters of nuance can change from performance to performance. What cannot change, alas, is the curiously ugly decor by the playwright John Byrne...

Confronted with current affairs instead of legend, Tim Harold Prince has come from America to spend a week supervising the direction of Evita, with two lady assistants...

Evita/Opera House, Manchester

B. A. Young

Harold Prince has come from America to spend a week supervising the direction of Evita, with two lady assistants...

Confronted with current affairs instead of legend, Tim Harold Prince has come from America to spend a week supervising the direction of Evita, with two lady assistants...

Rice has abandoned poetry for cliché-ridden doggerel, which has not inspired the composer to the earlier levels we remember. Harmony and melody are never adventurous...

There is only one real singing part, Magaldi the enter-tainer, but his song, 'On This Night of a Thousand Stars', is a parody, and Robert Farrant does what he can...

Table with 4 columns: (a) An agreement dated 1st May 1986... (b) The Placing Agreement... (c) The Company has received clearance... (d) Of the shares being placed... (e) The sole subsidiary... (f) Touche Ross & Co... (g) The accounts of the Company... (h) For the purposes of Section 255... (i) Registrar of Companies... (j) The nationality of origin... (k) The Company is registered... (l) Schroders... (m) The Directors are of the opinion... (n) Documents for inspection... (o) The Memorandum and Articles... (p) The material contracts... (q) The Directors' service agreements... (r) The written consent... (s) The report of Touche Ross & Co... (t) The audited consolidated accounts... (u) The rules of the Executive Share Option Scheme...

مسكن من الاصل

FOREIGN AFFAIRS

The illusion of an Asian alternative

By Ian Davidson

THE AGENDA at this year's Western summit...

On the economic front, the Americans will call on the surplus countries to take more expansionary action.

It is likely to be a long time before the Western summits in the recent past. If their purpose is to work up a consensus on the co-operative management of the international economy...

In their book Hinging Together, Putnam and Bayne argue that 1979 is a turning point on the history of Western summits.

decision in 1979 on the deployment of new Euro-missiles...

In 1981 four foreign policy think-tanks, from Britain, France, Germany and the US, strongly urged the case for closer Western political consultation...



Five years later, one can say that the recommendation was easier to make than to follow. There may be several explanations for this.

live on the world's problems. But the real trouble is that the Europeans are frequently divided among themselves...

The third factor is Japan. Conventional wisdom says that Japan is so powerful in economic terms that it must be co-opted into any political club of the big boys...

after a global crusade against Soviet expansionism, and the inactivity of the institutions available to carry it out.

The idea seems plausible. America's population has moved to the sun-belt. Californians are more prominent in the political elite...

In short, it is simply impossible to convert America's economic interest in the Pacific into a strategic partnership...

Lombard

Why Mr Poehl likes the EMS

By Jonathan Carr in Frankfurt

PERHAPS it was the element spring weather in Rome after freezing Frankfurt. But when the West German Bundesbank president, Mr Karl Otto Poehl...

bold words indeed—coming from a central bank which has often seemed more keen to underline the obstacles on the road to integration than to stress its commitment to the ultimate goal...

Moreover, several member states, notably France and Italy, look set to cut (if not yet wholly eliminate) their capital controls...

Conflicting advice

From Mr S. Lyon Sir, Robert McCrimmon, MP (April 24) knows from his long experience of financial consultancy...

I happen to believe that contracted-out pension should indeed be available to people who for one reason or another do not wish to be locked into a company pension fund...

These are real questions because the terms proposed for contracting-out involve a serious mismatch between the rebate received by an individual in a particular year...

Letters to the Editor

tracted-out rebates and the loss of state pension to be fairly related at each age and for each year...

Decline in the fleet From Mr D. Davies Sir,—I refer to Mr George Bonwick's letter (April 29) regarding the decline in the number of merchant ships...

National pay scales From Mr J. Ashworth Sir,—As a southerner living in Scotland I read with concern the report you carried (April 28) of the Reward Regional Survey...

The price of oil From Mr L. Fletcher Sir,—In view of Mr D. Harvey's comment (April 26) on my letter, may I elaborate a little?

ploughing the surplus into all manner of investment in technology, it has largely been squandered.

Technology wins wars and wins the peace equally well. The Japanese have exploded into every technical field they can think of, and we should have done the same...

Lowering income tax by a copper or two is like dangling a piece of baitless string to catch a large fish. Nigel Lawson is my financial manager and I would sack him.

There is no natural justice in the proposal to subsidise employees in the south-east with what is effectively a long-term savings subsidy at the expense of the majority of the community.

becoming increasingly difficult to find staff in the London area. I am sure that the majority of the nation, who happen to live in the provinces...

Charities and the Finance Bill

From Mr J. Newman Sir,—Mr Hayes of Coopers and Lybrand (April 30) rightly draws attention to the appalling drafting and confused objectives of Clause 29 and Schedule 12 of the current Finance Bill...

The Chancellor has a duty to make sure that income, tax-payers give to charities and the corresponding deductions for income, capital gains, corporation and inheritance tax purposes result in expenditure on charity and do not result in tax-free accumulation of income and capital.

May I suggest that constructive criticism should be applied to the problem by discarding the definition of "private charity". The new code should focus on a comparison for all charities of first income and charities of first income and secondly, bequests and donations received with direct expenditure within the fiscal year or the financial year concerned on projects of a capital and income nature.

The Parliamentary debate should be on the quantum and manner of application of the percentage above and the nature of direct qualifying charitable expenditure, rather than on the minutiae of a definition of a private charity.

Advertisement for Dial Contracts Ltd, featuring the headline 'YESTERDAY'S ANSWERS TO THE FLEET PROBLEM WERE FINE — YESTERDAY.' The ad includes a large image of a car, text describing services like fleet hire, maintenance, and insurance, and contact information for Dial Contracts Ltd.



Night of violence in UK prisons

BY DAVID BRINDLE, PETER RIDDELL AND HELEN HAGUE IN LONDON

BRITAIN'S prison officers resumed normal duties yesterday after a night of rioting and arson by inmates in the country's already overcrowded prisons and custody centres destroyed accommodation equivalent to two large jails.

He announced measures for the co-ordination of police involvement and contingency plans for the use of military camps to house prisoners if necessary.

Mr Colin Steel, chairman of the Prison Officers Association said: "The response in the prisons caught everybody on the hop and we are not prepared to stand by and let things get out of control."

Another 16 from the Eries-toke youth custody centre, near Devizes in south-west England also remained at large.

At Horwield prison, Bristol, where more than 60 police - some in riot gear - were sent into the jail to restore order on Wednesday night, two wings were reported extensively damaged.

Egypt calls for \$30bn Middle East aid

BY ROGER MATTHEWS AND TONY WALKER IN CAIRO

EGYPT is appealing to the Tokyo summit which begins at the weekend, to establish a \$30bn Middle East development fund to assist countries in the region suffering financial difficulties as a result of the oil price collapse.

Dr Meguid said Egypt's debt problem was "very serious," and gave a warning that pressure from outside institutions such as banks, was causing difficulties.

The IMF is insisting that, as a condition for providing balance-of-payments support, Egypt should reform its tangled exchange-rate regime and take firmer steps to reduce the burden of subsidies on the national economy of subsidies on the national economy.

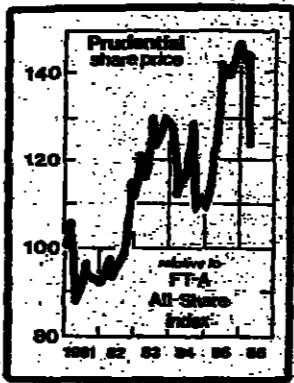
In calendar 1986 to about \$1.2bn. Oil revenues in 1985 totalled about \$2.5bn. Foreign observers in Egypt are predicting a drop of between \$1.5bn and \$3bn in earnings from oil this year, a much gloomier forecast than that provided by Mr Mubarak.

BP chief urges cut in tax on N. Sea oil

By Dominic Lawson in London

SIR PETER WALTERS, the chairman of British Petroleum, yesterday called on the British Government to reduce taxation on North Sea oil profits or face a contraction in North Sea oilfield developments.

THE LEX COLUMN Endowment policy for the Pru



If an industrial company with an ungeared balance sheet which had paid uncovered dividends two years running came to the market raising money for which it had no specific purpose, the Prudential would want to ask a few questions.

Maxwell's conditional intention to join the Demerger board, enroled him in the Demerger concert party - has postponed by a year his chances of bidding for Exel.

£100m of sales in the year topped to £20m, and Wellcome is seeking approval to sell £1 for shares as well.

S. Africa hit by May Day strikes

Continued from Page 1

Inkatha, the Zulu political and cultural movement headed by Chief Buthelezi. It claims over 1m members.

Soviets shut down 20 reactors

Continued from Page 1

leadership appreciating the political damage done to the Soviet image abroad by its refusal to give full details of the world's worst nuclear accident at a power station.

her departure for this weekend's Tokyo economic summit, she intensified pressure on the Soviet Union to produce fuller information about what had happened at Chernobyl.

Following lengthy Cabinet discussion about the implications of the Soviet action, Mrs Thatcher and other senior ministers embarked on a series of speeches intended to provide reassurance of the safety of the British programme and to emphasise the need for greater openness by the Soviet authorities.

Paris doubles sell-off plan

Continued from Page 1

capital spending, including the large sums it will continue to inject into the loss-making Renault car group and the Usinor and Saelor steel companies.

Tokyo police take to the azaleas

Continued from Page 1

month - trying to avoid roadblocks, which are placed about every 200 yards. The trick is (a) to be foreign and (b) to drive a hatchback because the police are (a) only looking for Japanese and (b) convinced that those who do violence use only pick-up trucks or white Nissan sedans with closed tops.

We are also a little bit worried about whether the uniformed police will see anything if something does go wrong. They all wear extraordinarily helmets which resemble something between a horse's blinkers, a samurai's bonnet and what Darth Vader donned in Star Wars.

turn off the gas. You won't have to worry about the utilities, but crocheting directly under a two tons of chandeliers may not be advisable, even for an iron lady.

London shares take sharp tumble

Continued from Page 1

(\$546m) rights issue from Prudential Corporation, the UK's largest insurance company. Institutional investors are already short of cash after three months in which the market has risen by 27 per cent.

Maxwell/Demerger

Continued from Page 1

Exel shareholders who rejected the Demerger approach in hopes of something better from Mr Robert Maxwell will be even more disappointed than their hero. The full Takeover Panel's ruling - that Mr

Wellcome

Continued from Page 1

The stockmarket had been so carefully prepared for Wellcome to see a profit fall in its first set of interim profits, that a 10 per cent decline to £94.2m at the pre-tax level was almost an anti-climax.

De Beers

Continued from Page 1

The opportunity to take a position at the tin market was too good to miss for the chairman of De Beers, who appears to suggest in today's annual report that commodity cartels are fine so long as De Beers is running them.

World Weather

City	Temp	Wind	Cloud	Humid	Pres
Algeria	19	08	08	61	1013
Amman	17	08	08	61	1013
Amsterdam	11	15	08	61	1013
Antwerp	11	15	08	61	1013
Athens	17	08	08	61	1013
Bahia	24	08	08	61	1013
Bangkok	24	08	08	61	1013
Bombay	24	08	08	61	1013
Buenos Aires	14	17	08	61	1013
Burkina Faso	27	08	08	61	1013
Calcutta	27	08	08	61	1013
Cairo	27	08	08	61	1013
Canton	27	08	08	61	1013
Cebu	27	08	08	61	1013
Colon	27	08	08	61	1013
Hankow	27	08	08	61	1013
Hong Kong	27	08	08	61	1013
London	11	15	08	61	1013
Los Angeles	17	08	08	61	1013
Manila	27	08	08	61	1013
Medan	27	08	08	61	1013
Mexico City	27	08	08	61	1013
Montevideo	17	08	08	61	1013
Osaka	27	08	08	61	1013
Paris	11	15	08	61	1013
Rangoon	27	08	08	61	1013
San Francisco	17	08	08	61	1013
Singapore	27	08	08	61	1013
Sourabaya	27	08	08	61	1013
Taipei	27	08	08	61	1013
Tientsin	27	08	08	61	1013
Tokyo	27	08	08	61	1013
Yokohama	27	08	08	61	1013

London shares take sharp tumble

Continued from Page 1

political worries over next Thursday's local authority and parliamentary elections, might help to check the stock market's advance.

The FT-SE 100 index began the day more than 20 points down on Wednesday's close, but halved this loss before dipping again when New York markets opened lower.

industrial nations to brake the US currency's long fall since last September.

Alexander's Discount plc

"Alexander would cash my bill down on the counter, Sir."
(John Sedley in Thackeray's Vanity Fair)

... and we still will.

A PART OF
Alexanders Laing & Cruickshank Holdings Ltd

A PART OF THE
Mercantile House Group
INTERNATIONAL FINANCIAL SERVICES

People \$58m

PAUL TAYLOR IN NY

Volvo boosted

KEVIN DONE, NORTON

Chrysler ph...

assembly d... with AMC

By Our New York Staff

QUESTER, the world's largest group of independent car dealers, has announced a merger with AMC.

Kodak

OUR NEW YORK STAFF

STANMAN KODAK, the largest photographic company in the world, has announced a merger with Kodak.

A fitter Sperry comes out fighting

BY PAUL TAYLOR

MORE than any of the other big US computer companies, Sperry has suffered in recent years from an acute identity crisis.

Information Systems group's international operations, notes "Sperry has gone through a lot of change from being a lot of passive conglomerate in the 1970s through the divestments of New Holland and Vickers Hydraulics."

which used to account for over 70 per cent of the total, have dropped to around 55 per cent. Sperry, like other US mainframe vendors, has rushed to supply the smaller computers and PCs which its customers had been demanding.

company to factors ultimately outside its control. Indeed Sperry's previous external bets haven't always paid off.

revenues and operating profits increased by 21 per cent and by 22 per cent respectively in the fiscal year ended March 31—helping to offset lower profits in the defence and aerospace operations caused by a strike and production problems.

Excluding special gains in the year-ago period and a \$233.2m after-tax loss from now discontinued New Holland farm equipment business, Sperry posted a 7 per cent advance in fiscal 1986 operating profits.

On the other hand, Sperry, like most of its competitors, may have little choice than to seek outside help if it is to stay in the technology race.

strated by its decision to turn to Hitachi, the Japanese computer maker, for peripheral equipment late last year—a deal which is already beginning to generate new products including high-power optical disk subsystems.

After the failure of the Trilogy project, Sperry clearly needs help designing its next generation of mainframe machines. As part of the agreement with Hitachi, both companies said they plan to "evaluate each other's technology in order to determine if there are mutual benefits to be gained through some form of co-operation."

Sperry insiders play down the significance of the deal, insisting that the group remains committed to designing and building its own mainframe machines.

In those circumstances the future of Sperry as an independent mainframe maker could again be in doubt. For the moment, however, Sperry's new strategy appears to be paying off. Strong shipments of its top-end 1100/90 mainframes and growing personal computer sales have helped put a new shine on Sperry's financial results.

IN THE SHADOW OF IBM



for about 60 per cent of its fiscal 1986 \$5.74bn in revenues, ranking it as the fourth largest computer group in the US.

The need for changes in the computer division has been painfully obvious. Sperry, which claims the second largest installed mainframe base to IBM, worth in excess of \$17bn, has seen its hold on the marketplace wane.

Today, he and other Sperry insiders insist that has changed. One aspect of this shift is a dramatic realignment of Sperry's computer product mix.

Mr Jan Lindelow, the Swedish-born head of commercial marketing and former general manager of Sperry's

THE KEY FIGURES*

Table with 5 columns: Year (1984, 1985, 1986, 1987, 1988) and 3 rows: Revenues, Net profit, and a note about fiscal years ending March 31.

* Fiscal years ending March 31. † Restated to exclude Sperry New Holland revenues of \$332.9m in 1986 and \$715.1m in 1985. ‡ After \$233.2m in losses from discontinued operations.

Sperry's new strategy is also apparent in its use of research and development dollars. Sperry has stepped up its own computer R and D spending dramatically to around \$420m a year and plans to spend \$2bn on computer R and D over the next five years—75 per cent of the company's overall projected R and D expenditure.

While even that sum pales into insignificance against the giants of the computer industry, IBM and the Japanese, Sperry is seeking to leverage its limited financial and engineering resources through joint venture agreements and other partnerships, hoping that these will provide it with the technological clout it needs for the future.

Analysts warn that reliance on outside technology can be a high-risk game, exposing the

NOTICE OF REDEMPTION THE PROCTER & GAMBLE COMPANY

Extendible Notes Due December 15, 1994

NOTICE IS HEREBY GIVEN that, pursuant to paragraph 7(c) of the Terms and Conditions of the Notes described above (the "Notes") the Company has elected to and shall redeem on May 19, 1986 (the "Redemption Date") U.S. \$32,000,000 aggregate principal amount of Notes

Table of Outstanding Bearer Notes in the Denomination of U.S. \$1,000 Each bearing the following serial numbers.

Table of Outstanding Bearer Notes in the Denomination of U.S. \$10,000 Each bearing the following serial numbers.

The Notes shall become due and payable on the Redemption Date at the Redemption Price, plus accrued interest, which shall be paid upon presentation and surrender of the Notes, together with all coupons thereto appertaining maturing after the Redemption Date, at the paying agents listed below.

The Notes to be redeemed will no longer be outstanding on and after the Redemption Date. Interest on the Notes will cease to accrue from and after the Redemption Date, the coupons for such interest shall be void, and the sole right of a Note holder shall be to receive the redemption price plus interest accrued on such Note to the Redemption Date.

Payments at the office of any paying agent will be made by check drawn on a Bank in New York City or by transfer to a dollar account maintained by the payee with a bank in Europe.

Following this redemption, U.S. \$65,000,000 aggregate principal amount of Notes will remain outstanding.

PAYING AGENTS

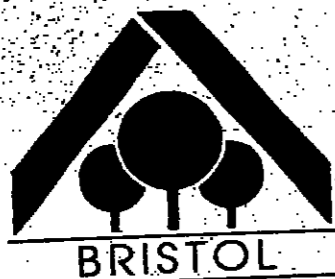
- Morgan Guaranty Trust Company of New York
Morgan House, 1 Angel Court
London EC2R 7AE, England
Morgan Guaranty Trust Company of New York
Avenue des Arts 35
B-1040 Brussels, Belgium
Union Bank of Switzerland
Bahnhofstrasse 45
CH-8021 Zurich
Switzerland

THE PROCTER & GAMBLE COMPANY

By: Morgan Guaranty Trust Company of New York, Fiscal and Paying Agent

Dated: April 18, 1986

AZTEC WEST



Aztec West is Bristol's pride-and-joy business success. A unique and stunningly impressive landscaped business park, it covers 170 acres of which 125 acres are for building development.

To date, Aztec West has attracted a high calibre of different tenants to expand their interests within the site and

current big names include Tesco, Wiggins Teape, STC, Kiddicraft, IBM and many more!

And the park has a multitude of advantages over other locations - good rail links, close proximity to the M4/M5 and Bristol Airport, a wide range of on-site facilities such as a helicopter pad, executive trim trail, CCTV security and

superb landscaping. To any business, Aztec West offers limitless potential - cut yourself in on our success. Contact us right away for a visit.



Sign of Successful Growth.

AZTEC WEST WHERE YOU CAN SEE THE BEAUTY OF YOUR BUSINESS GROWING.



Latest Aztec West signings include Panasonic, S.W.E.B., Wiggins Teape Paper Ltd.

UK COMPANY NEWS

Wellcome limits dollar damage

By TONY JACKSON

Wellcome, the recently-floated drug company, has produced better than expected results in its first set of interim figures as a public company. Pre-tax profits in the six months to March fell by 9.8 per cent...

Mr Sheppard said that on a comparable exchange rate basis, and pre-tax profits by 26 per cent. US sales in human health-care were up 17 per cent in dollar terms, and there was also substantial growth in Continental Europe and Japan.

Cooper's Animal Health, the joint venture with ICI, made a trading loss of around £1m, besides incurring start-up costs of £0.4m (1985, £2.6m). Mr Sheppard said "the whole farming industry is in some distress. I'd like to see some profits from that business and falling that I don't yet know what we'll do."

two years, Mr Sheppard said. However, the introduction of the NHS limited list last April had not been as damaging as expected. Wellcome had expected to lose £8m of sales on its Acetified cough mixture, but TV advertising had made good some of the shortfall.

Dalepak coming to market valued at £12m

By RICHARD TOMKINS

Dalepak Foods, Britain's biggest supplier of frozen grillsteaks, is coming to the market through an offer for sale of 4.7m shares at 107p a share, giving it a value of £11.9m.

became one of the first companies in Britain to make what has become known as the grillsteak. Its products are now widely advertised on television outside London and are sold through most big supermarket and freezer centre chains stores.

company says was due to a heavy increase in advertising costs. Of the shares being sold, some 2.1m are coming from existing shareholders and 2.6m from the company, raising £2.2m net to cut short-term borrowings and accelerate the development of new product ranges.

flagging so Dalepak has turned to one of the other biggest growth areas—ready meals—to sustain the momentum. If the volumes come through at a level high enough to keep the new factory busy at least £1.5m must be in sight for the current year, putting the shares on a prospective p/e of 12 after a 35 per cent tax charge.

Clarke Nickolls falls to £0.5m

Clarke, Nickolls and Coombs, property investor and developer, has reported a reduction in pre-tax profits from £660,120 to £471,758 for 1985.

Although net earnings are shown down from 6.5p to 5.2p per share, the directors are holding the dividend at 6.3p for the year, with an unchanged 4.2p final.

ings contributing a significantly higher £3.07m (£341,509) and gross rents received up from £1.01m to £1.25m.

Flogas, the Irish liquid gas distribution company, announced yesterday plans to raise £2.9m through a placing of shares at 160p to eliminate borrowings and to lay a base for future expansion.

Bullish defence from Pegler

By Lionel Barber

Pegler-Hutchings, the valves to bathroom taps manufacturer fighting at £175m hostile bid from F. H. Tomkins, the acquisitive industrial holding company, yesterday estimated a 19.2 per cent pre-tax profit rise for the year ending last March.

Pegler also proposed a 37.9 per cent rise in total dividends for 1985-86 to 20p net per share. In a vigorous defence document sent to shareholders yesterday, Pegler said it expected group profits before tax to be £21.6m and trading profits to amount to £16.2m, an increase of 57 per cent on the previous year.

Mr Hutchings said that Pegler's interim figures had shown a fall in pre-tax profits from £8.37m to £8.2m. He said it was important to look at Pegler's long-term record over the past 10 years which amounted to a 1 per cent compound growth rate and a near 50 per cent real decline in earnings per share.

Brokerage strength lifts Minet profits to £30m

Minet Holdings, the Lloyd's and general underwriter, lifted taxable profits by 29 per cent to £30.01m in 1985, with its main-stream brokerage operations producing nearly all the increase.

The dividend for that period is raised by more than 28 per cent with a final of 47p per share (8.5p) bringing the total to 8p (8.25p). Earnings per share came out at 20.95p (15.31p).

comment: Minet must be pretty pleased that investors did not take offence at yesterday's news. Against the background of a falling market, the underwriter's £3m exceptional loss was glossed over, and Minet's share closure more or less unchanged at 252p. Apparently, the market views the insurance premium as genuinely exceptional and has chosen to be cheered by Minet's encouragement of trading performance from £22.5m to £30m.

Cadbury chief forecasts a better year

Sir Adrian Cadbury, chairman of Cadbury Schweppes, the confectionery and drinks group, told shareholders at yesterday's AGM that current sales were above last year's figures and targets and he forecast a marked improvement in group performance in 1986.

Daks Simpson improves to £1.6m at six months

WITH ALL but the rainwear side showing improvements Daks Simpson Group was able to lift its pre-tax profit to £1.55m pre-tax in the opening half year.

DRAYTON CONSOLIDATED Trust raised net asset value by 63.75p to 444.5p in the six months to March 31 1986. Net revenue for half-year amounted to £1.49m (£1.45m) after tax of £614,000 (£743,000). Earnings totalled £27p (4.15p) diluted. Interim dividend is 2.75p (2.5p) net.



For NatWest Commercial Paper, call the team at County.

The market in Euro-commercial paper offers corporate treasurers and other investors some extremely valuable advantages in the effective use of surplus funds. And the dealing team at County - one of the UK's largest market makers - can help you exploit those advantages to the full.

COUNTY BANK LONDON: TRADING - BARRY PAGE, BRIAN ETTERS HANK (01) 588 3968; SALES - PHILIP AFA, TONY COLLINS, COLM KELLEHER (01) 256 5471. HONG KONG: STEPHANIE LAYTON (05) 257 3235. NEW YORK: CELFANIE DE HOOG (212) 248 0100. National Westminster Bank Group

Table with 4 columns: Company Name, Current payment, Date, Total. Includes companies like Aberdeen Constr, Belloway, British Inv Trst, Clarke, Nickolls, Daks Simpson, Drayton Cons Trst, Ecabrie, Fleming Far East, Higheroff Inv, Keystone Inv, FJC Lilley, Minet, MMT Comput, Torday Carlisle, Triefas, Wemyss Inv, Whittington Eng.

NOTICE OF REDEMPTION SKANDINAVISKA ENSKILDA BANKEN 9% Capital Bonds Due 1991 Redemption Date: June 2, 1986. NOTICE IS HEREBY GIVEN that, in accordance with the provisions of Section 4.01 of the Indenture, dated as of December 1, 1976 between Skandinaviska Enskilda Banken, and Citibank, N.A., Trustee, the entire principal amount outstanding of the above captioned Bonds (the "Bonds") will be redeemed at the close of business on June 2, 1986 at a redemption price equal to 101% of their principal amount plus accrued and unpaid interest from December 1, 1985 to June 2, 1986 of \$45.25 for each \$1,000 principal amount of Bonds, for a total redemption payment of \$1,055.25 for such amount of Bonds.

Vertical text on the right edge of the page, including "Assoc £39m", "FII pay", "Blue Circle", "BASE", and "The Australian I".

Handwritten Arabic text at the bottom of the page.

UK COMPANY NEWS

Richard Tomkins previews Mrs Fields USM entry

A tough little cookie comes to market

THE CITY is about to be hit by a phenomenon called Mrs Fields. A cookie store operator as yet little known in Britain...

last year the first Mrs Fields cookie store in the UK opened in the Trocadero centre near London's Piccadilly Circus.

Chocolate Chip Cookie Company, David's, Famous Amos and the Original Cookie Company (owned by Rowntree Mackintosh) are the biggest — but so far the freshly-baked cookie market has been growing quickly enough to accommodate them all.



Mrs Debra Fields, president and chief executive of the leading US retailer of freshly-baked cookies

Enough Never Is — a striving always to do better. To the outsider the enthusiasm with which employees at all levels throw themselves into living up to the ideal appears almost fanatical: group headquarters and the stores themselves frequently ring to the whooping clapping and cheers which greet good news and successes.



Mrs Fields (the woman) is no sweet little old lady employed to provide a twee image for an otherwise faceless enterprise.

Mr Fields, now the company's 38-year-old chairman and finance director, says it is because he perceives London as the centre of tomorrow's international equity market and wants Mrs Fields to be seen as an international group.

The price of this gourmet product is correspondingly high: with the top-of-the-range cookies selling at \$6.25 a pound, a single one costs twice the price of a Mars bar.

Quality has been just one component of Mrs Fields' growth. Another is the business acumen of her shrewd and innovative husband.

Mr Fields has introduced a computerised management control system which constantly monitors the sales of every product at every store against projected targets. Any shortfalls

are instantly picked up at headquarters in Park City, Utah, and a team of troubleshooters can be on the scene almost before the unsold cookies have had time to cool.



APPOINTMENTS

Pegler-Hattersley chairman designate

PEGLER-HATTERSLEY has appointed Mr Eric Swainson as deputy chairman from June 1 with the intention that he should become chairman in July 1987 upon the retirement of Sir Peter Matthews.

responsibility for the recently formed automation division as its managing director. Mr J. C. Webb, company secretary, becomes group finance director.

Mr R. P. Cotton, distribution director, BIRDS EYE WALL'S, will retire on July 31. Mr P. R. Bushill-Matthews, sales director, has become sales and distribution director.

Mr Michael Marsden has joined UNITY TRUST as an executive director. He was previously with Williams & Glynn as a senior manager.

Mr J. F. Bulgin & Co. has made the following management appointments: Mr Barry Ireland, finance and operations director, joins the main board as production director, and Mr David Harrington, formerly sales/marketing manager, becomes divisional director, sales and marketing.

STANDARD CHARTERED BANK has appointed Mr P. Barfoot general manager with responsibility for the Middle East and South Asia. Mr Barfoot will assume responsibility for this region on August 1, replacing Mr N. H. Green who will be retiring from the bank at the end of July.

JOHN LAING CONSTRUCTION has appointed Mr A. E. (Alan) Chaney director of finance and Mr P. J. (Peter) Spriggs assistant director of finance. Mr Chaney was chief overseas activities and Mr Spriggs has been the financial controller since 1981.

Mr D. G. E. Jackson, a director of SPONMECH, has been appointed managing director of its safety systems division, with Mr P. J. Bull, former divisional director, taking over as deputy.

Changes at Courtaulds

COURTAULDS has made the following board changes: Mr R. D. Laphorne has been appointed an executive director from May 29 and will take over responsibility for finance at main board level from that date.

Mr A. W. Peers has been appointed to the main board of MASDAR (UK). Mr Henry Ebdon and Mr Jonathan Onyett have been appointed to the board of ASTLEY & PEARCE (STERLING).

At the annual meeting of the GAUGE AND TOOLMAKERS ASSOCIATION the following appointments were made: Mr P. D. Edwards succeeded Mr J. J. Harvey as president and Mr P. M. Hall was elected senior vice president. Mr K. Bearson is now junior vice president and the honorary treasurer is Mr M. J. Yates.

DEBENHAMS, part of The Burton Group, has appointed Mr Bob Falkner its director of stores operations. He is regional sales director, large stores. Mr Peter Hindley, assistant managing director, stores operations, has resigned and will be joining Harris Queensway.

Smith Keen board posts

Following the acquisition of Birmingham based stockbrokers Smith Keen Cutler by Greenwell Montagu & Co. (a member of the Midland Bank Group), the board of SMITH KEEN CUTLER & CO. is: Mr N. L. Rowland (executive chairman); Mr N. A. Harrison, Mr J. D. Lewson, Mr C. W. Welfly, Mr C. P. Smith, Mr D. C. Wasdell, Mr R. B. S. Wood (executive directors); and Mr R. H. Lawson and E. J. Fenton (non-executive directors).

Advertisement for Thai Oil Company Limited, featuring the Thai Oil logo and listing various banks and financial institutions that provide services to the company. Text includes 'Thai Oil', 'Thai Oil Company Limited', 'Yen Equivalent of US\$230,000,000', 'Term Loan', and lists of banks such as BOT International (H.K.) Limited, The Fuji Bank, Limited, The Mitsubishi Bank, Limited, etc.

Large advertisement for STARLING Commercial Paper, featuring the SM&CO logo and text: 'STARLING a new currency for commercial paper'. It describes the company's services for issuers and investors, its strengths as a U.K. clearing bank, and lists key personnel: Issuers: Charles Mitchell, Nigel Brassard, David Shelley; Investors: John Neary, Paget Langford-Holt. Contact information for Samuel Montagu & Co. Limited is provided.

Financial Times logo at the top, 'Monopol' and 'FT CROSSWORD' sections at the bottom, and a crossword puzzle grid.

Monopolies Commission can reveal confidential information

REGINA v MONOPOLIES AND MERGERS COMMISSION, EX FANTE ELDERS IXL LTD, Queen's Bench Division: Mr Justice Mann: April 29 1986.

THE Monopolies and Mergers Commission when investigating the question whether a proposed merger between two companies would operate in the public interest, may disclose to one company confidential information provided by the other if it considers that the disclosure, though potentially harmful to one of the parties, will facilitate the performance of its investigatory function.

Mr Justice Mann so held when refusing an application by Elders IXL Ltd for judicial review of a decision by the Monopolies and Mergers Commission to disclose to Allied Lyons plc information acquired for the purpose of the commission's investigation into a proposed merger between Elders and Allied.

Section 138 of the Fair Trading Act 1973 provides: (1) no information with respect to any particular business which has been obtained under this Act... shall be disclosed... without the consent of the person for the time being carrying on that business. (2) The preceding subsection does not apply to any disclosure of information which is made— (a) for the purpose of facilitating the performance of any functions of the... commission

the bid was to proceed. On November 10 1985, the chairman of the commission wrote to Elders and Allied requesting the provision of exclusive information in the form of a statement.

Each company submitted a statement. Chapter 7 of Elders' statement contained new financing arrangements relating to a revised bid. Elders regarded Chapter 7 as confidential and believed that its revelation to Allied would undermine the further bid.

The necessity for confidentiality was the subject of a covering note accompanying Elders' submission. On January 7 there was a meeting of the chairman of the commission and Elders' chairman said he wished to disclose Chapter 7 to Allied and that, if he did not, Allied might seek to have any report set aside in the courts.

At a further meeting, Elders re-emphasised the prejudice which it would suffer should Chapter 7 be revealed to Allied. It suggested that Chapter 7 should be submitted to the Bank of England for its independent advice on the financing arrangements and that questions to Allied should be formulated which would not disclose information to the commission to the benefit of Allied's views.

Mr Littman for the commission, whose submissions were adopted by Allied, submitted that its decision was exposed to attack only on the grounds of irrationality. As no such attack was made, the decision was lawful.

It was not disputed that in the performance of its inquisitorial function the commission must act fairly to the parties concerned. By "parties concerned" was meant at least those who had a "substantial interest in the subject matter of the reference" (see section 81(1)(a)). Elders and Allied were concerned.

Fairness was a flexible concept the content of which was dependent on context. There was no rule applicable to all investigative processes. In particular there was no general rule that one party to an investigation should be given all the material submitted by another party.

What was fair in relation to a particular process and in a particular situation subject to that process was for determination by the court.

Elders' complaint was that the commission focused on facts to which Allied sought to enable it to make representations on the merger proposals, but did not sufficiently take account of the disproportionate harm which would be caused by the revelation of the financial arrangements. Elders recognised there were compelling considerations, but asserted that the balance struck was not fair.

AUTHORISED UNIT TRUSTS

Table listing various unit trusts such as Abbey Unit Trust, British Unit Trust, and others, with columns for name, manager, and other details.

FT UNIT TRUST INFORMATION SERVICE

Large table providing detailed information for numerous unit trusts, including names, managers, and performance metrics.

FT CROSSWORD PUZZLE No 6,012

Crossword puzzle grid with numbers indicating starting positions for words.

- ACROSS
1 Keep many in class (6)
4 Enraged about kit getting wet (8)
10 A source of oil not safe to use (5-4)
11 Set speed the inexperienced driver must stay within (5)
12 One brought in to work havoc (4)
13 Without locks, so in an anxious state (10)
15 Minister of food-processing? (7)
16 Frames a woman involved in some craft (6)
19 A toxophilite knowing royal characters (6)
21 Taking the B road with little hesitation—it's wider (7)
23 The South Sea Islander is lean, mean, lawless (10)
25 Grants given in town clearance programmes (4)
27 Glare maybe when there's only light-bodied beer turning brown (9)
29 Withdrawn soldiers and enters into negotiations (8)
30 Recent change of heart (6)
DOWN
1 Make a reduction and it's a bargain! (8)
2 The paper-seller's rate is not subject to variation (9)

Mr Alexander submitted that satisfaction of the exception was a matter for objective determination by the court. He submitted that he called "a margin of appreciation," but the limits of that margin were determinable by the court.

The submission was not accepted. The exception in subsection (2) (a) was "drawn at" for facilitating the purposes of facilitating an objective examination of whether disclosure did in fact take place. The latter involved an inquiry as to what the commission had in mind.

The commission's intention was to facilitate the performance of its functions. It was not suggested that the intention was irrational or unfortunate if it would be most appropriate in the commission were in peril of its functions during the discharge of its duties under the 1973 Act.

World Gold in 1986 advertisement with logo and contact information.

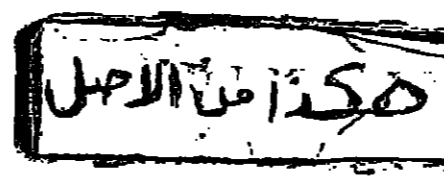
AUTHORISED UNIT TRUSTS & INSURANCES

Main table containing financial data for various unit trusts and insurance companies, including names, addresses, and performance metrics.

INSURANCES section listing various insurance policies and providers.

Continuation of the main table, listing additional unit trusts and insurance companies.

Handwritten signature or stamp at the bottom center of the page.



INSURANCE, OVERSEAS & MONEY FUNDS

Table of financial data for various insurance and overseas funds, including company names, fund names, and numerical values.

Table of financial data for various money funds, including company names, fund names, and numerical values.

Table of financial data for various money funds, including company names, fund names, and numerical values.

Table of financial data for various money funds, including company names, fund names, and numerical values.

Money Market Trust Funds

Bank Accounts

TRADITIONAL OPTIONS 3-month call rates

Table of 3-month call rates for various banks and locations, including London, New York, and other international markets.

NOTES: A section providing additional information and disclaimers regarding the data presented in the tables.

CURRENCIES, MONEY and CAPITAL MARKETS

FOREIGN EXCHANGES

Dollar up in narrow trading

The dollar held on to overnight gains to finish on a stronger note in currency markets yesterday. It opened nearly four pence up against the D-Mark...

£ IN NEW YORK

Table showing exchange rates for £ in New York, including columns for May 1, Latest, and Prev. Close.

FINANCIAL FUTURES

US bonds weak

US Treasury bond prices were weaker in yesterday's London International Financial Futures Exchange yesterday. Values were depressed to some extent...

JAPANESE YEN

Trading range against the dollar in 1986 is 202.70 to 167.35. April average was 175.04. Exchange rate index 201.17...

FINANCIAL FUTURES

US bonds weak

0.8 per cent improvement failed to have much impact. Proximity of a long weekend in the UK and the economic summit in Tokyo combined to keep participation to a minimum...

PHILADELPHIA 6% S/T

Table showing Philadelphia 6% S/T futures options with columns for Strike, Call, Put, and various dates.

CHICAGO

Table showing Chicago US Treasury Bonds (CBT) with columns for Strike, Call, Put, and various dates.

LONDON

Table showing London 10% NOTIONAL SHORT GILT 100,000 with columns for Strike, Call, Put, and various dates.

CURRENCY RATES

Table showing various currency rates including Sterling, Swiss Franc, and others.

STERLING INDEX

Table showing Sterling Index values for various dates and currencies.

EMU EUROPEAN CURRENCY UNIT RATES

Table showing EMU European Currency Unit rates for various countries.

FT LONDON INTERBANK FIXING

Table showing FT London Interbank Fixing rates for various currencies.

Company Notices

INTERCOM Societe Intercommunale Belge de Gaz et d'Electricite Societe Anonyme NOTICE OF ANNUAL GENERAL MEETING...

THE SCOTTISH AGRICULTURAL SECURITIES CORPORATION P.L.C. 7 3/4% Debenture Stock, 1990/92 NOTICE is hereby given that the REGISTERED OFFICE of the CORPORATION...

SOCIETE GENERALE \$ US 50,000,000 FLOATING RATE NOTES DUE 1991 For the three months, April 21, 1986 to July 20, 1986, the rate of interest has been fixed at 6 3/4% p.a.

Legal Notices IN THE MATTER OF MOUNTBURN TRADING COMPANY LIMITED AND IN THE MATTER OF THE COMPANIES ACT 1948 NOTICE is hereby given that the creditors of the above-named company...

Clubs EVE has outlined the others because of a party at their club and value for money. Super from 10.30 am. Disco and top musicians, glamorous hostesses, setting...

Table titled 'WORLD VALUE OF THE DOLLAR' showing values of the dollar in various countries and currencies.

POUND SPOT—FORWARD AGAINST POUND

Table showing Pound Spot—Forward Against Pound rates for various currencies.

CURRENCY MOVEMENTS

Table showing Currency Movements for various currencies including Sterling, Swiss Franc, etc.

CURRENCY RATES

Table showing Currency Rates for various currencies including Sterling, Swiss Franc, etc.

DOLLAR SPOT—FORWARD AGAINST DOLLAR

Table showing Dollar Spot—Forward Against Dollar rates for various currencies.

EXCHANGE CROSS RATES

Table showing Exchange Cross Rates for various currencies.

EURO CURRENCY INTEREST RATES

Table showing Euro Currency Interest Rates for various currencies.

MONEY MARKETS

Table showing Money Markets rates for various currencies.

UK rates show little change

Interest rates were barely changed in London yesterday in very quiet and featureless trading. Proximity of the long weekend in end and the economic summit in Tokyo were sufficient to keep participation to a minimum...

NEW YORK RATES

Table showing New York Rates for various currencies.

MONEY RATES

Table showing Money Rates for various currencies.

LONDON MONEY RATES

Table showing London Money Rates for various currencies.

FT LONDON INTERBANK FIXING

Table showing FT London Interbank Fixing rates for various currencies.

MONEY MARKETS

Table showing Money Markets rates for various currencies.

LONDON SHARE SERVICE

BRITISH FUNDS

AMERICANS-Cont.

Table listing British Funds with columns for Name, Stock, Price, Div, and Yield.

Table titled 'Over Fifteen Years' listing various funds and their performance metrics.

Table titled 'Index-Linked' listing index-linked funds and their details.

Table titled 'GOV. BANK AND O'SEAS INT. BANKING ISSUES' listing government and international bank issues.

Table titled 'CORPORATION BONDS' listing various corporate bonds.

Table titled 'COMMONWEALTH & AFRICAN BONDS' listing bonds from Commonwealth and African regions.

Table titled 'LOANS' listing various loan products and their terms.

Table titled 'PUBLIC BOARD AND IND. FINANCIAL' listing public board and industrial financial data.

Table titled 'FOREIGN BONDS & RAILS' listing foreign bonds and rail investments.

Table titled 'AMERICANS' listing American stocks and securities.

AMERICANS-Cont.

Table listing American stocks, including General Electric, IBM, and others.

Table listing American stocks, including Boeing, Ford, and others.

Table listing American stocks, including Johnson & Johnson, and others.

Table listing American stocks, including IBM, and others.

Table listing American stocks, including Johnson & Johnson, and others.

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Table listing American stocks, including Johnson & Johnson, and others.

Table listing American stocks, including Johnson & Johnson, and others.

BUILDING, TIMBER, ROADS-Cont.

Table listing Building, Timber, and Roads sectors, including various construction and materials companies.

CHEMICALS, PLASTICS

Table listing Chemicals and Plastics companies, including ICI, BP, and others.

BANKS, HP & LEASING

Table listing Banks, Hire Purchase, and Leasing companies, including Citibank and others.

DRAPERY AND STORES

Table listing Drapery and Stores companies, including Marks & Spencer and others.

BEERS, WINES & SPIRITS

Table listing Beers, Wines, and Spirits companies, including Guinness and others.

HIRED PURCHASE, LEASING, etc.

Table listing Hire Purchase, Leasing, and other services companies.

BUILDING, TIMBER, ROADS

Table listing Building, Timber, and Roads companies, including various construction firms.

ENGINEERING-Continued

Table listing Engineering companies, including BHP, and others.

DRAPERY & STORES-Cont.

Table listing Drapery and Stores companies, including Marks & Spencer.

ELECTRICALS

Table listing Electrical companies, including British Telecom and others.

INDUSTRIALS-Continued

Table listing Industrial companies, including British Steel and others.

INDUSTRIALS-Continued

Table listing Industrial companies, including British Steel and others.

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INDUSTRIALS-Continued

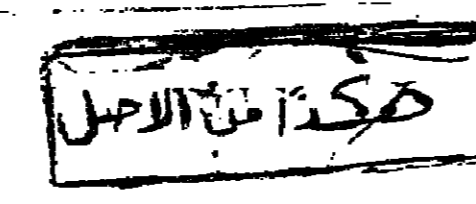
Table listing Industrial companies, including British Steel and others.

INDUSTRIALS-Continued

Table listing Industrial companies, including British Steel and others.

INSURANCE

LEISURE



INDUSTRIALS-Continued

Table listing various industrial stocks and their prices, including companies like Shell, BP, and British Petroleum.

LEISURE-Continued

Table listing leisure-related stocks and their prices, such as those in the travel and entertainment sectors.

PROPERTY-Continued

Table listing real estate and property-related stocks and their prices.

INVESTMENT TRUSTS-Cont.

Table listing investment trusts and their performance metrics.

FINANCE, LAND-Cont.

Table listing financial and land-related stocks and their prices.

MINES-Continued

Table listing various mining stocks and their prices.

REGIONS

Table listing regional stock indices and their performance.

Notes section providing details on currency exchange rates, interest rates, and other financial indicators.

Recent Issues and Rights 'Page 42' section listing new stock issues and rights issues.

World Stock Markets

WORLD STOCK MARKETS

AUSTRIA

Table of Austrian stock prices including companies like Creditanstalt, Oesterreichische, and others.

GERMANY

Table of German stock prices including companies like Deutsche Bank, Daimler-Benz, and others.

FRANCE

Table of French stock prices including companies like Bouygues, Elf, and others.

NETHERLANDS

Table of Dutch stock prices including companies like ABN, Alcatel, and others.

SPAIN

Table of Spanish stock prices including companies like Banco Bilbao, Banco Central, and others.

SWEDEN

Table of Swedish stock prices including companies like Astra, Atlas Copco, and others.

SWITZERLAND

Table of Swiss stock prices including companies like Adia, Alpi, and others.

NORWAY

Table of Norwegian stock prices including companies like Bergens Bank, Christiania, and others.

AUSTRALIA (continued)

Table of Australian stock prices including companies like BHP, Broken Hill, and others.

HONG KONG

Table of Hong Kong stock prices including companies like Anglo East Asia, Bank of China, and others.

JAPAN

Table of Japanese stock prices including companies like Dai Nippon, Daiwa, and others.

AUSTRALIA

Table of Australian stock prices including companies like BHP, Broken Hill, and others.

NETHERLANDS

Table of Dutch stock prices including companies like ABN, Alcatel, and others.

SPAIN

Table of Spanish stock prices including companies like Banco Bilbao, Banco Central, and others.

JAPAN (continued)

Table of Japanese stock prices including companies like Dai Nippon, Daiwa, and others.

NETHERLANDS

Table of Dutch stock prices including companies like ABN, Alcatel, and others.

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CANADA

Table of Canadian stock prices including companies like Alcan, Inco, and others.

TORONTO

Table of Toronto stock prices including companies like Alcan, Inco, and others.

INDICES

Table of stock indices for New York, London, and other markets.

STANDARD AND POORS

Table of Standard and Poors indices and company ratings.

NETHERLANDS

Table of Dutch stock prices including companies like ABN, Alcatel, and others.

NETHERLANDS

Table of Dutch stock prices including companies like ABN, Alcatel, and others.

NETHERLANDS

Table of Dutch stock prices including companies like ABN, Alcatel, and others.

MONTREAL

Table of Montreal stock prices including companies like Alcan, Inco, and others.

CLOSING PRICES

Table of closing prices for various international markets.

NETHERLANDS

Table of Dutch stock prices including companies like ABN, Alcatel, and others.

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Table of Dutch stock prices including companies like ABN, Alcatel, and others.

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OVER-THE-COUNTER

Table of over-the-counter stock prices.

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NEW YORK STOCK EXCHANGE COMPOSITE PRICES

Prices at 3pm, May 1

Main table of stock prices with columns for High, Low, Stock, Div. Yld., P/E, 100s High, Low, and Change. Includes sub-sections for C C C, E E E, and M M M.

Continued on Page 43

Handwritten scribble at the bottom of the page.

NYSE COMPOSITE PRICES

Main NYSE composite price table with columns for stock symbols, prices, and changes. Includes sub-sections for 'Continued from Page 42' and 'S S S S S S'.

AMEX composite price table with columns for stock symbols, prices, and changes. Includes sub-sections for 'S S S S S S' and 'U U U U U U'.

OVER-THE-COUNTER Nasdaq national market, 2:30pm prices

Over-the-counter price table with columns for stock symbols, prices, and changes. Includes sub-sections for 'S S S S S S' and 'U U U U U U'.

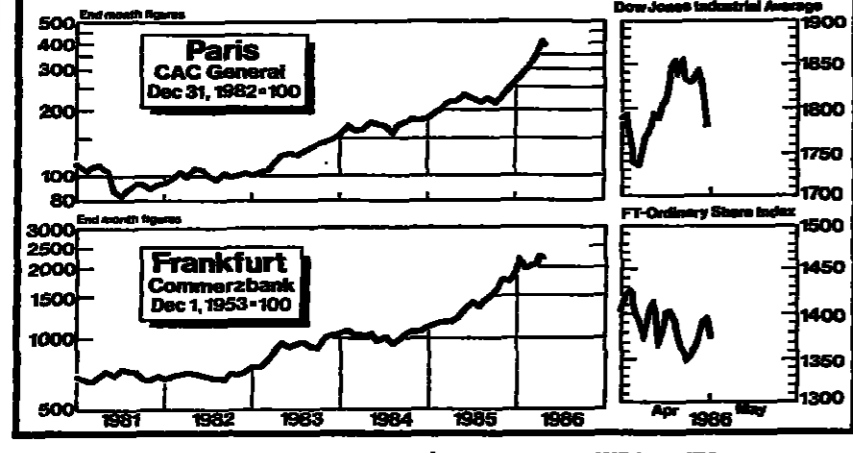
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FINANCIAL TIMES

WORLD STOCK MARKETS

KEY MARKET MONITORS



STOCK MARKET INDICES

	May 1	Previous	Year ago
NEW YORK			
DJ Industrials	1,781.99	1,783.98	1,242.05
DJ Transport	794.15	792.20	571.08
DJ Utilities	179.86	179.63	153.01
S&P Composite	234.38	235.52	178.37
LONDON			
FT-SE 100	1,374.0	1,394.9	989.9
FT-A All-share	1,640.1	1,660.5	1,301.5
FT-A 500	807.46	816.4	629.68
FT Gold mines	885.12	895.48	691.11
FT-A Long gilt	250.9	244.2	485.4
	8.94	8.89	10.60

TOKYO

Nikkei	15,782.65	15,825.50	12,456.60
Tokyo SE	1,246.40	1,251.88	968.72

AUSTRALIA

All Ord.	1,212.9	1,210.6	974.1
Metals & Mins.	518.6	517.7	558.6

AUSTRIA

Credit Aidian	closed	128.12	81.28
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BELGIUM

Belgian SE	closed	3,588.35	2,219.54
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CANADA

Toronto	2,119.9	2,117.5	1,991.0
Metals & Mins	3,072.8	3,078.2	2,626.3
Composite	1,574.72	1,575.22	129.32

DENMARK

SE	240.95	241.47	187.84
----	--------	--------	--------

FRANCE

CAC Gen	closed	387.2	215.4
Ind. Tendence	closed	145.1	76.0

HONG KONG

Hang Seng	1,848.65	1,836.89	1,516.73
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ITALY

Banca Comm.	closed	756.04	281.51
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NETHERLANDS

ANP-CBS Gen	285.6	287.0	211.0
ANP-CBS Ind	253.7	254.4	171.2

NORWAY

Oslo SE	closed	335.97	325.69
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SINGAPORE

Straits Times	closed	570.2	791.81
---------------	--------	-------	--------

SOUTH AFRICA

JSE Golds	-	1,148.3	1,037.5
JSE Industrials	-	1,089.5	894.8

SPAIN

Madrid SE	closed	180.43	80.57
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SWITZERLAND

Swiss Bank Ind	closed	587.4	424.2
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WORLD

	April 30	Prev	Year ago
MS Capital Int'l	317.5	320.6	202.2

Corporate

	May 1	Price	Yield	Price	Yield
AT & T					
3% July 1990	88%	7.00	88%	7.0	
SCBT South Central					
10% Jan 1993	107	7.61	107	7.61	
Flintrock					
8% April 1996	98%	8.15	98%	8.15	
TRW					
8% March 1986	100%	8.25	103%	8.25	
Arco					
9% March 2016	106%	9.25	106%	9.25	
General Motors					
8% April 2016	94%	8.68	94%	8.66	
Citicorp					
9% March 2016	99%	8.50	99%	8.5	

Source: Salomon Brothers

WALL STREET

Sentiment remains subdued

THE MOOD remained subdued on Wall Street yesterday after the record fall of the previous session, writes Terry Byland in New York.

Blue-chip issues rallied after a weak start, but, with the bond market in full retreat, investors were in a cautious mood.

By 3pm the Dow Jones industrial average was down 1.99 at 1,781.99.

The stock market settled into what appears to be its new, and lower, trading range, which is characterised by new uncertainty over interest rates, the pace of the economy and by lacklustre trading reports from US industry. Renewed firmness in the dollar is a doubtful benefit for US exporters.

Several well-respected analysts are believed to be taking a more cautious stance on equities. Merrill Lynch, the major retail broker firm, has increased the cash weighting of its model portfolio to 25 per cent trimming the proportion of common stocks from 40 per cent to 35 per cent.

Long-term bond yields jumped to 7.56 per cent ahead of the auctions next week of \$27bn in Treasury securities — a larger burden than expected. While analysts believe that foreign demand will be forthcoming for the new US Treasury debt, few expect market rates to fall over the period.

The nuclear disaster in the Soviet Union has added new cause for uncertainty. Some market analysts suggest that both the dollar and US commodity prices will rise if the Chernobyl disaster forces Russia to buy grain on world markets.

Stocks in US utility groups steadied after two weak sessions, and in the bond markets there was a satisfactory outcome to the auction of \$125m of first mortgage bonds by Atlantic City Electric. The bonds, resold by Morgan Stanley on a 9.02 per cent yield, were rated Double A3 by Moody's Investors Services and Double A minus by Standard & Poor's.

Technology stocks steadied, helped by IBM, up 1% at \$157. Digital Equipment edged up 3% to \$177 while NCR added 3% to \$50.4 and Control Data 3% to \$23.4.

Mixed changes in the Detroit car makers had American Motors 3% better at \$44 on a prospective deal with Chrysler which could take up some of American's excess production capacity. At \$37.4 Chrysler added 1%.

Ford rose sharply, gaining 22% to \$78, but General Motors, still restrained by planned production cutbacks, moved sluggishly to gain 3% to \$80.4.

Airline stocks struggled to regain their footing after Wednesday's beating, which took 15 points off the Dow transportation average.

American Express improved by 5% to \$58.7. People Express, the discount carrier, eased 3% to \$9% after disclosing its latest trading loss.

Chemical and pharmaceutical issues looked nervous as the dollar's firmness cast a cloud over their overseas sales prospects. Monsanto fell 1% to \$60.4 while Du Pont, unchanged at \$76, had already discounted the board's plan to buy in stock.

Merck, the pharmaceutical industry's representative in the Dow average, plunged a further 1% to \$172, but Pfizer edged up 3% to \$39.7.

SmithKline Beckman added 3% to \$91.1, still responding to its trading statement.

Further consideration of the trading news left Eastman Kodak down 3% at \$57.1 in heavy turnover. A higher dividend lifted Dart & Kraft by 3% to \$51.4.

But Greyhound, the financial services and passenger transport group, eased 3% to \$34% on lower profits.

The bond market showed no signs of recovering from initial losses which ranged to around a full point. In yet another spate of liquidity support, the Fed announced overnight system repurchases, but the federal funds rate remained above recent levels at 7%. Treasury bill and other short-term rates, however, were unchanged.

LONDON

Equities blown off course

EQUITIES were blown violently off course in London yesterday in the wake of Wall Street's worst-ever fall. The scene was initially very unsettled with sentiment affected by insurer Prudential's call for fresh funds via a \$357m rights issue and prices of many blue chips were slashed.

The FT Ordinary index finished 20.9 lower at 1,374.0 after touching 1,381 and the FT-SE 100 lost 20.4 to 1,640.1. The

AMSTERDAM suffered a small but widespread decline with particular uneasiness among international stocks due to the overnight plunge on Wall Street and the absence of many foreign, notably West German, buyers due to the May Day holiday.

Royal Dutch lost FI 2.10 to FI 188.20 while Akzo, awaiting developments in its patents dispute, retreated FI 1.50 to FI 162.20. KLM dipped 80 cents to FI 48.80 and Philips, at FI 61.20, was 20 cents cheaper.

Among banks ABN moved ex-dividend and lost FI 16 to FI 560 as Amro gave up 80 cents to FI 99.60. The bond market saw falls of up to 40 basis points in very thin trading.

Closing part of the session was buoyed slightly by Wall Street's determined attempt at recovery.

US influences also contributed to a dull session in longs. Longs moved in tandem with the softer American bond market and finally closed with losses of up to 4%.

Chief price changes, Page 4; Details, Page 4; Share information service, Pages 38-39

TOKYO

Trends in US bring downturn

A WAVE of selling depressed blue-chip and electric power issues in Tokyo yesterday, sending share prices lower for the first time in five trading days, writes Shigeo Nishiuaki of Jiji Press.

The Nikkei stock average lost 42.85 to 15,782.65. Volume totalled 586m shares compared with Wednesday's 536m. Declines outran advances by 468 to 386, with 110 issues unchanged.

The poor performance came in reaction to rising long-term US interest rates and the record overnight drop on Wall Street.

Japanese investors, like their counterparts on Wall Street, were also unsettled by the Chernobyl nuclear power plant accident in the Soviet Union.

Blue chips fell almost across the board, despite buying toward the close. Toshiba, the most active stock with 34.02m shares changing hands, declined Y10 to Y437.

Hitachi, the second busiest issue with 32.67m shares traded, dropped Y24 to Y935. Mitsubishi Electric shed Y2 to Y368. NEC Y80 to Y1,690.

The Chernobyl accident dampened electric powers, with Tokyo Electric Power losing Y50 to Y3,820 and Kansai Electric Power Y40 to Y2,370.

Issues which stand to benefit from domestic demand expansion came into the limelight, helped by the plans of the Government and ruling Liberal-Democratic Party (LDP) to transform Japan's export-dependent economy into one geared more to domestic demand for growth.

The dealer sections of major brokerage houses hunted these domestic demand-related issues to seek quick capital gains.

Oil issues firmed on a wide front on speculation that petroleum might be reappraised as an energy source in the wake of the Chernobyl disaster.

Nippon Oil gained Y10 to Y1,170. Nippon Mining Y13 to Y484 and Shima Shell Sekiyu Y60 to Y386.

Issues with hidden incentives fared well. Kanto Natural Gas Development, a major iodine maker, scored a daily limit gain of Y100 to Y1,080.

Bond prices moved in a narrow range, with investors becoming more cautious

due to an overnight upturn in long-term US interest rates.

The yield on the benchmark 6% per cent government bond, maturing in July 1986, rose to 4.645 per cent from Wednesday's 4.595 per cent. Buying of the recently selected 5.1 per cent government bond due in March 1996 finished, pushing its yield up to 4.880 per cent at one stage. Later, however, the yield fell to 4.810 per cent, unchanged from the previous day.

AUSTRALIA

AN INITIAL weakness was reversed in Sydney despite the severe overnight setback in New York and the All Ordinaries index edged 2.3 higher to 1,210.6.

BHP lost another 2 cents to AS7.34 pending developments in the takeover bid by Bell Resources, which firming 2 cents to AS4.35. Elders DXL, which owns 19.9 per cent of BHP, eased 2 cents to AS4.53.

News Corp jumped 70 cents to AS19.90 after Mr Rupert Murdoch testified at a hearing into the status of two television stations News Corp owns.

HONG KONG

THE ANNOUNCEMENT that the flotation of Cathay Pacific had been hugely oversubscribed prompted a late buying surge that took Hong Kong higher.

The Hang Seng index climbed 11.86 to 1,848.65, equalling Monday's record, while the Hong Kong index rose 8.01 to 1,149.94.

Cathay's present shareholders ended mixed. Swire rose 10 cents to HK\$3.40 while Hongkong Bank gave up 5 cents to HK\$7.15.

SOUTH AFRICA

THE SLIGHTLY firmer gold sector was one of the few bright spots in Johannesburg trading, which was interrupted for 30 minutes due to a bomb alert at the exchange.

Driefontein advanced R2.25 to R52.40 although Buffels sold 50 cents to R65.50. Among other mines Rustenburg Platinum rose 25 cents to R31 and De Beers edged 5 cents higher to R22.80.

CANADA

THE DECLINE in Toronto, which started late on Wednesday, continued across the board.

Bell Canada retreated CS% to CS39% after reporting lower first-quarter earnings and a forecast for a drop in full-year profit.

Banks moved against the trend in a weaker Montreal

NOTICE OF EARLY REDEMPTION ON 17th JUNE, 1986

BARCLAYS

BARCLAYS OVERSEAS INVESTMENT COMPANY B.V.

(Incorporated with limited liability in the Netherlands)

U.S.\$100,000,000 8½% per cent. Guaranteed Bonds 1992

Guaranteed on a subordinated basis

by

BARCLAYS BANK PLC

(Incorporated with limited liability in England)

Notice is hereby given that all the outstanding Bonds of the above-captioned issue (the "Bonds") will be redeemed, in accordance with Condition 6(c) endorsed on the Bonds, on 17th June, 1986 (the "redemption date") at the redemption price of 101 per cent of their principal amount, together with interest accrued to the redemption date.

No payment of interest will be made on Coupons due for payment on 15th September, 1986. Accrued interest on the Bonds in respect of the period from 15th September, 1985 to the redemption date (amounting to U.S.\$64.22 for each U.S.\$1,000 principal amount of Bonds) will be paid on the redemption date in the manner specified below. Subject as mentioned in Condition 5 endorsed on the Bonds, interest will cease to accrue as from the redemption date.

Payment of the redemption monies, including accrued interest, will be made in accordance with Condition 8 endorsed on the Bonds, at the specified office of any of the Paying Agents against surrender of Bonds. Bonds should be presented for payment together with all unremitted Coupons, failing which the amount of the missing unremitted Coupons will be deducted from the principal amount due. Any amount so deducted will only be payable as mentioned in Condition 8.

Principal Paying Agent
Barclays Bank of New York
300 Park Avenue
New York, NY 10022
U.S.A.

2nd May, 1986

Annual General Meeting of AB Volvo

The shareholders in AB Volvo are hereby called to the Annual General Meeting of the Company, to be held in Lisebergshallen, Örgrytevägen, Göteborg (Sweden) at 4.30 p.m. Wednesday, May 21, 1986.

Matters to come before the Meeting as prescribed by law and the Company's Articles of Association, shall include: presentation of the accounts and annual report for the year 1985; adoption of the Income Statement and Balance Sheet of AB Volvo as well as the Consolidated Income Statement and Consolidated Balance Sheet; disposition of the profit as shown in the Balance Sheet adopted; discharge of the Board of Directors and Managing Director from liability; determination of the number of members and deputy members to be elected by the Meeting to serve on the Board of Directors; approval of fees to be paid to the Board and auditors; and the election of Board members, deputy members and auditors.

Right to participate in Meeting
Participation in Volvo's Annual General Meeting is limited to shareholders who are recorded in the share register on

May 9, 1986 and who advise Volvo, no later than 12.00 noon, Friday, May 16, 1986, of their intention to participate.

Share register
Volvo's computerized share register is maintained by Värdepapperscentralen VPC AB (Swedish Securities Register Center).

Volvo shares are registered in the names of either their owners or trustees. Only owner-registered shareholdings are listed in the names of shareholders in the share register. Shareholders whose shares are held by the trust department of a bank or by a private brokerage, may have elected to have their shares registered in the trustee's names.

To be entitled to participate in the Annual General Meeting, owners of shares registered in the name of a trustee must register such shares in their own names.

To assure that such shares are reregistered in ample time, the holders of trustee-registered shares should request that the bank or brokerage acting as custodian of the shares reregister them (temporarily) several banking days prior to May 9, 1986. Trustees normally charge a fee for this service.

Volvo Group operations in brief

Sales, SEK M

Income before allocations, taxes and minority interests, SEK M

Return on total capital employed, percent

Income per share, SEK

Dividend per share, SEK

Number of employees, December 31

Salaries, wages and social costs, SEK M

Contribution to Employee Bonus Fund, SEK M

Capital expenditures for property, plant and equipment, SEK M

8195

7,002

20.3

49.20

8.50

67,857

11,359

180

3,530

1985

1984

80,190

87,052

22.9

46.50

5.30

68,586

10,509

180

2,589

Notice of intention to participate

Notice of intention to participate in the Meeting may be given, no later than 12.00 noon, Friday, May 16, 1986 by telephone: